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THE UNITED STATES AND JAPAN:  
A NEW GEOMETRY IN ASIA

MICHAEL MILLER

1974

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THE UNITED STATES AND JAPAN:

A NEW GEOMETRY IN ASIA

by

MICHAEL MILLER

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An Action Report

Submitted in Partial Fulfillment for

The Degree of Master of Public Administration

At the University of Washington

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## I. INTRODUCTION

Since August 1945, a special relationship has existed between Japan and the United States. The relationship, born in world combat and in a unique way tempered during the Korean War, has grown into an economic and political partnership which is now undergoing a dramatic metamorphosis. A new political geometry is forming in Asia and the final form of this structure has yet to be determined. Since 1950, Japan has been the major ally of the United States in Asia, not only as the location of the greatest concentration of Asian military bases, but also as an example of a viable democratic government. However, coupled with the transformation in the American relationship with Japan, Asian politics have been shaken by a series of events with far reaching implications for both the United States and Japan. The appearance on the world stage of a new and not well understood actor--the Chinese Dragon, the evolution of an uncertain new direction in American foreign policy after Viet Nam, and events such as the Arab oil embargo have added additional complicating dimensions to an already involved international equation.

This paper has two major objectives. The first is to define and analyze the emerging relationship between Japan and the United States in terms of the Asian political system.



The second objective is to identify the various political, military, and strategic alternatives available to the United States in this highly complicated area of the world. In order to cover these objectives adequately, many differing issues must be examined and, although this paper primarily is concerned with the relationship between the United States and Japan, the roles of other countries which have both the power and ambition to influence events in Asia must be considered. In this regard, one of the primary questions to be examined is how do Japan and China view each other's emergence as world or regional powers and how are their perspectives likely to influence each others foreign policies? Then, how are these perspectives likely to influence American policy in Asia? In examining these and other questions, the increasing involvement of the Soviet Union in the Pacific also must be analyzed and evaluated.

For reasons of clarity and to provide a better perspective of the scope of this subject, the paper has been divided into five major sections. In Section II, in order to build a framework for analysis and develop a historical perspective, the origins of the United States-Japanese partnership are outlined with special emphasis on the history of the mutual security treaty. Section III traces the development of Japan as an economic superpower and emphasizes the fragile nature of





this power. In Section IV the organization for security in Japan is analyzed and the forces influencing rearmament examined. Section V reviews the dominant economic position of Japan in East Asia and the relationship of the Japanese with China and the Soviet Union. Finally, the last section analyses the present strategic position of the United States in East Asia and attempts to tie together the complicated threads of the involved relationships to determine alternative political and strategic options for the United States.



## II. BACKGROUND

A. The Origins of the Partnership. The origins of the unique relationship between the United States and Japan are found in the years of the American occupation. This occupation and its legacy of paternalism has, until recently, influenced the manner in which Japan and the United States have viewed each other and have conducted their respective foreign relations in Asia. In his almost messianic approach as he went about "building democracy" in Japan after World War II, General Douglas MacArthur personified the spirit of the American occupation. As head of the Supreme Command of Allied Powers (SCAP), MacArthur directed the economic and political democratization programs after the war. He directed these programs with a strident, emotional intensity and with a campaign that had the fervor of a religious crusade. MacArthur characterized this campaign in his *Reminiscences*:

Japan had become the world's great laboratory for an experiment in the liberation of a people from totalitarian military rule and for the liberalization of government from within.... First destroy the military power. Punish the war criminals. Build the structure of representative government. Modernize the Constitution. Hold free elections. Release the political prisoners. Liberate the farmers. Establish a free labor movement. Encourage a free economy. Abolish police oppression. Develop a free and responsible press. Liberalize education. Decentralize the political power. Separate church and state.<sup>1</sup>

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<sup>1</sup>Douglass MacArthur, Reminiscences (New York, 1964) pp. 282-283.



As an illustration of the political atmosphere during the occupation, MacArthur at this time was described by one Japanese diplomat as: "a shining obelisk in the timeless march onward toward an enduring peace."<sup>2</sup>

The heritage of this occupation period is extremely important for it is in MacArthur's independent administration of Japan that the Japanese Constitution was written with its famous and influential peace articles. This "peace clause" was to cause serious future political problems for both the United States and Japan.

Article IX of the Japanese Constitution reads:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation, and the threat or use of force as a means of settling international disputes.

In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential will never be mentioned. The right of belligerency of the State will not be recognized.

The Japanese Constitution, including the above clause, imposed on the Japanese by the United States occupation government, has returned to haunt American policy makers attempting to convince the Japanese to develop a stronger security force and to increase defense spending.

Despite the fact that this constitution was imposed on

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<sup>2</sup>Ibid. p. 277.





Japan by a foreign power, it has grown into an accepted and integral part of the Japanese system of government and has become a legitimating factor for political processes. It has a moral and intellectual status for the Japanese similar to that the Constitution of the United States holds for the American people. As a result, the Japanese Constitution could not be changed lightly without serious political consequences and today Japan is the only nation in the world in which the right of belligerency is specifically denied by a constitution. This fact underlies and overshadows all considerations of defense policy in Japan.

The occupation of Japan can be divided into two distinct periods. The first period, from 1945 through 1948, reflected MacArthur's idealism and the concept of revolutionary change for traditional Japanese society. It was the aim of SCAP to democratize Japan not only in the political but in the economic sense. The overall purpose was to ensure that Japan would never again threaten the world with militaristic ambitions. The second period of the occupation evolved with the coming of the Korean War:

The policy, which began as a policy of punishment for Zaibatsu and other economic institutions of the enemy of yesterday, began to be subjected to strong pressures for change almost as soon as it was implemented. The rapidly changing nature of international politics, the Cold War, and mounting criticism





of SCAP policies in Washington (charges of anti-business, of making a ward of the United States, and even of socialism) were significant parts of this pressure.<sup>3</sup>

Japan then came to be seen as the logical American ally to counter communist expansion in Asia and the Japanese-American Treaty is the concrete example of this radical shift in the foreign policy of the United States. This Security Treaty has influenced the foreign policy style of Japan for almost twenty years and still has an important impact on the Japanese view of their security problems.

The fall of Nationalist China in 1949 and the beginning of the Korean War influenced the attitude of the American occupation. No longer was it the main object of SCAP to ensure a peaceful and pastoral Japan. What was needed was a strong ally in the Pacific to help in containing communism and to act as a logistic support area during the Korean War. The Security Treaty was a natural result of this change in attitude.

The Security Treaty between the United States and Japan, was signed in 1952 with the Treaty of Peace. This agreement was revised as the Treaty of Mutual Cooperation and Security in 1960 when it generated a considerable amount of violent

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<sup>3</sup>Kozo Yamamura, Economic Policy in Postwar Japan (Berkeley and Los Angeles, 1967) p. 173.



domestic opposition and sparked serious riots in Tokyo. The treaty was automatically extended in 1970 and can now, with one years' notice, be terminated by either party. The important point however is that this treaty provided a security umbrella which enabled Japan to follow a foreign policy which helped to make it, from an economic standpoint, the third strongest nation in the world. Despite the effectiveness of this security blanket, however, events since 1972 have called into question some of the precepts which have stood as the foundation of this Security Agreement.

As containment came to Asia first in the context of the Korean War and in the "loss" of China, Viet Nam also was seen as an attempt to hold the line against aggressive communism and to restrain the great Red Dragon to the North. Even before this, within the context of subdued regional conflict after the Korean War, the giants of Asia, Japan and China, were beginning to give indications of their later power.

At the same time that new Asian nations were developing their new found national aspirations, economic and political strength, the world in general seemed to be growing out of the bipolar nature that had justified the tactics of the Cold War. The Sino-Soviet split, the development of cracks in the wall of monolithic communism, echoed this passing of a simple U.S.-USSR view of the world. The new explanation of the



international structure was that the world, in a power sense, was becoming multipolar. In this new power structure, the United States and Russia no longer held exclusive control over the sources of nuclear destruction. But, more than a simple matter of nuclear weapons and industrial might, the world was beginning to be seen with a broader and infinitely more complicated structure of power relationships.

Within this new world power structure, the Viet Nam War became a battleground not only in reality, but in an ideological sense; a battleground which framed the debate over the future of American foreign policy. There is an infinite spectrum of opinions on the meaning of the Viet Nam conflict for the future of American foreign policy but the controversy in the United States and Japan has settled around the meaning of the Nixon Doctrine. The change in the political power structure in Asia and the Nixon Doctrine have forced Japan to re-evaluate its foreign and security policy. It is in this context that the many facets of the emerging view of Japanese foreign policy and security must be examined. In a fundamental sense, both the United States and Japan are undergoing basic re-examinations of their foreign policies. Both of these nations are at the crossroads of security decisions which for decades will influence the stability of Asia. The security alternatives facing the United States and Japan in



the post-Viet Nam world and the factors influencing these alternatives serve as the focus for the remaining sections of this examination.





### III. REBIRTH OF THE PHOENIX

A. From the Ashes. With the relationship with the United States, one of the primary determinants of Japanese foreign policy decisions since 1952 has been Japan's success in obtaining rapid economic growth. The story of Japan since World War II is the story of the growth of an economic giant and to be understood, the story must be analyzed in economic terms. In the 1946-1947 period, as in no other country in modern times, Japan was psychologically and physically devastated, its factories were destroyed, its proud people had suffered defeat for the first time in its long history and for the first time Japan was occupied by a foreign power. In 1946 the nation itself was on the verge of mass starvation. At war's end per capita food intake was at 1,042 calories and the Gross National Product in 1945 was only slightly over 50 percent of the 1937 level.<sup>4</sup> The country had lost all foreign assets, \$22 billion in Manchuria alone. However, in less than 30 years this small country, roughly the size of California, rose from the ashes of World War II to develop the third largest GNP in the world. Many of the threads of contemporary Japanese foreign policy problems are woven into the fabric of this dramatic economic revival.

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<sup>4</sup>Ibid. p. 21.



If Japan deserves the status and classification of super-power in any sense of the term, it is in the category of economic strength. Japan now has the third largest GNP in the world.<sup>5</sup> In 1950 the Korean War put the devastated Japanese economy on the road to recovery. In order to support the American effort in Korea, millions of dollars were poured into Japanese industry especially in the vital steel, cement, and textile sectors. In addition, by 1953, as has already been illustrated, SCAP's restrictive economic policies had been repealed and heavy importation of foreign technology had begun. This importation of large amounts of foreign technology made a significant difference in the later international competitive edge of Japanese industry. In a similar manner, reconstruction of the industrial capacity destroyed during the war provided both the opportunity and the necessity for installation of the most modern technical processes and equipment. In fact, most of the industrial capacity in Japan's major industries has been installed in the past 15-20 years.<sup>6</sup> This technological edge given by the modern industries has

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<sup>5</sup>Appendix I illustrates the trend in growth of Japan's Gross National Product in comparison with other selected countries.

<sup>6</sup>Eugene Kaplan, Japan, The Government Business Relationship (Washington D.C., 1972) p. 8.



had an obvious result in the international competitive advantage enjoyed by the Japanese.

The conscious decision made by the Japanese government after World War II to make economic recovery the principle goal of the nation is a major factor in Japan's economic success story. This success, in turn, has led to the naming of this single minded policy as "Japan Incorporated," the idea that the whole nation of Japan should function for the single goal of gaining rapid economic growth. An important corollary of the reason for this economic success has been the friendly umbrella of the Mutual Security Treaty, personified by the power of the United States Seventh Fleet.

B. Vulnerable Giant. The Arab oil embargo brought to light a fact that already was well appreciated in Japan. While Japan is indeed an economic superpower, its power is both vulnerable and fragile.

Japan imports 96 percent of its iron ore, 100 percent of its bauxite, and 98 percent of its liquid fuel. Undoubtedly the most important of these imports is petroleum. It has been estimated that Japan has from two weeks to one month reserve of crude oil. Various authorities have observed that were imports of coal and particularly oil completely cut off, Japanese industry would grind to a halt within a few





weeks.<sup>7</sup> Most of this imported petroleum is delivered to Japan by tankers sailing from the Arabian Gulf and these imports are expected to increase significantly over the next decade.<sup>8</sup> The strategic vulnerability of this large amount of shipping to military and political pressure has serious implications for Japan's security and continued economic success.

Japanese tankers sailing from the Arabian Gulf travel through either the Malacca, Sunda, or Lombok and Makassar Straits. The Malacca Straits are immediately south of Singapore while the others are passages through the Indonesian Archipelago. In the Declaration of 1957, Indonesia declared its Archipelago Doctrine.<sup>9</sup> This doctrine claims the Sunda, Lombok, and Makassar Straits as internal Indonesian waters and gives Indonesia a legal rationale for restricting free passage if it would ever have reason to do so. These straits are commonly used by Japanese super tankers which are of

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<sup>7</sup>James William Morley, Forecast for Japan: Security in the 1970's, (Princeton, N.J., 1972) p. 26.

<sup>8</sup>See table 1 for current comparisons and projections of Japan's growth in petroleum consumption; also see "Coal a Revival in Japan," Far Eastern Economic Review, March 4, 197, pp. 56-57 for additional information on Japan's domestic energy reserves.

<sup>9</sup>For a discussion of Indonesia's position of free passage and territorial limits, see Richard A. Miller, "Indonesia's Archipelago Doctrine and Japan's Juglar" United States Naval Institute Proceedings, October, 1972, pp. 27-33.





TABLE I

	% GROWTH IN GNP				% GROWTH IN OIL CONSUMPTION				% GROWTH IN OIL IMPORTS			
	'60-65	'65-70	'70-80	'70-80	'60-65	'65-70	'70-80	'70-80	'60-65	'65-70	'70-80	'70-80
EUROPE	4.9	4.4	4.3	4.3	14.0	10.0	6.0	6.0	14.4	10.8	4.6	4.6
N. AMERICA	4.8	3.7	4.3	4.3	3.3	4.9	4.7	4.7	5.1	5.4	11.2	11.2
JAPAN	10.1	12.4	10.5	10.5	22.4	17.5	9.4	9.4	22.4	17.5	9.4	9.4

Source: The Economist, November 24, 1973, p. 82.



excessive draft (65 ft.) to go the shorter and shallower Malacca Strait route. The importance of the closing of these straits to Japan would be a significant and perhaps unacceptable increase (approximately one third) in the price of oil in Japan, in addition to long delays in delivery time. The important point is that these statistics illustrate the degree to which Japan is strategically dependent on open sea lanes and the traditional right of innocent passage. Japan, as an island nation and as a result of World War II, understands better than most countries the importance of free and clear sea lanes.

It will be some time before the final effects of the Arab oil pressure and embargo on Japan will be completely documented and evaluated. However, it is already apparent that the economic impact to Japan's growth rate will be significant. The embargo presented Japan with two basic problems. The first is the possible reduction in the economic growth rate caused by the difficulty in obtaining raw materials. In reaction to this difficulty, Japanese officials are predicting the possibility of the economy plunging from 9.5 percent real growth in 1973 to a complete standstill by the Spring of 1974. Various industrialists are projecting losses of from 6-8 percent to 55 percent. At the same time, the vital automobile industry is talking of a production cutback of 17 percent



in 1974-1975.<sup>10</sup> The second major problem is that there is a real question whether Japan as an importing country, can continue to pay out the huge amounts of foreign currency which are needed in view of the recent increases in the price of Arabian Gulf oil and predicted rise in cost of other raw materials. Arab oil that cost \$3.40 a barrel in 1971 rose to \$10.30 by January 1, 1974. The Far Eastern Economic Review has reported that "should Japan keep importing crude oil totaling 3 billion tons or more a year, it would have to pay more than 30 percent of its total import bill--and more than four times the fiscal 1973 oil bill."<sup>11</sup> In the winter of 1973, foreign currency reserves in Japan were at \$19 billion. By January of 1974 they were \$13 billion and projected to go below \$10 billion by April 1974.<sup>12</sup> The importance of the reduction in the growth rate in Japan cannot be overestimated. Since 1955, Japan has used a high growth rate to fuel its prosperity and, in a sense to support its foreign policy. The foreign and domestic strategies of the government have been based on the ability to continue a high rate of economic expansion. The slowing or stopping of this growth will have

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<sup>10</sup>The Economist, November 24, 1973, p. 82.

<sup>11</sup>Far Eastern Economic Review, June 7, 1973, p. 27.

<sup>12</sup>Ibid.



serious implications not only for the economic sector of Japanese society but also for the political stability of the country.

In addition to the Arab oil pressure, the recent trip of Prime Minister Tanaka to Indonesia in January of 1974 illustrates a problem that will be discussed in greater detail in Section V. This is the fact that Japan's economic policy has made it highly unpopular with some of the Southeast Asian trading partners upon which it depends for raw materials. Indonesia particularly is a country which Japan has been cultivating as an alternative source for petroleum. The other countries of Southeast Asia are equally critical for Japan's continued economic growth.

The foregoing illustrations demonstrate that while Japan has enormous strength in an economic sense, this economy is extremely vulnerable to military, political, and economic pressure. This pressure is especially serious when it threatens Japan's sources of raw materials. Gregory Clark, an Australian journalist, reported in 1971 that a Japanese diplomat returning from a GATT meeting commented:

the atmosphere is just like on the eve of World War II when America, Britain, China, and Holland surrounded Japan in the Pacific and tried to squeeze Japan by pressing on its supply of raw materials.<sup>13</sup>

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<sup>13</sup>Gregory Clark, "The Fragile Face of Force," Survival, March 1971, p. 86.





This comment, while extreme, may be considered illustrative of Japan's attitude toward the importance of free access to raw materials. The events of 1973 proved that raw materials are as crucial to Japan in the 1970's as they were in the 1930's. In fact, these raw materials may be even more important given the size of the present Japanese economy and the standard of living to which the Japanese people have become accustomed.

Richard Ellingworth has pointed out one manner in which the restrictions on imports could force Japan to react:

Economic frustration, especially if accompanied by widespread unemployment at home and the denial of what Japan conceives to be her fair place abroad could . . . eventually lead to a mood of disillusion, the rebirth of chauvinism and even attempt to rely on force or the threat of force.<sup>14</sup>

In 1970 Herman Kahn stated:

the Japanese have, in effect discovered or developed an ability to grow, economically, with a rapidity that is unlikely to be surpassed . . . and that might well result, late in the twentieth century or early in the twenty-first, in Japan's possessing the largest gross national product in the world.<sup>15</sup>

Japan's present economic problems have cast some very reasonable doubts about predictions of this type. The dependence of the Japanese on increasingly expensive raw materials and

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<sup>14</sup>Richard Ellingworth, Japanese Economic Policies and Security, Adelphi Paper no. 90., p. 32.

<sup>15</sup>Herman Kahn, The Emerging Japanese Superstate (Englewood Cliffs, N.J., 1970) p. 2.



economic vulnerability to threats against these supplies makes unqualified enthusiasm for Japan's ability to continue to grow at 10 percent or anything approaching this rate, highly doubtful. The Arab oil embargo could be just the first of a series of damaging blows to Japan's economic growth.

Coupled with external strategic problems, Japan's domestic economic policy may be undergoing a change in direction. The problems connected with the rapid economic growth of the 1960's--pollution, overcongestion and inflation--have caused many sectors of Japanese society to demand a change from the policy of rapid economic growth to one which emphasizes improvement in environmental condition and general welfare of the Japanese people. As a result, there is a swelling domestic demand for a change from policies of rapid growth to economic policies for stability. For example, Finance Minister Fukuda, in an address to the Diet in November 1973, called for a shift from a high growth line to a policy which would create a welfare society. At the same time he called for a reduction in the budget for the Fourth Defense Plan.<sup>16</sup> To this point, the ruling Liberal Democratic Party has paid only lip service to these demands for a new economic policy, but domestic political pressure could cause a change in the near future.

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<sup>16</sup>The Economist, November 24, 1973, p. 83.



#### IV. THE YEN FOR SECURITY

A. Security and the Foreign Policy Process. "The most important component of the Japanese foreign policy formulation process is the political party system."<sup>17</sup> The structure and form of Japanese domestic politics color, guide, and limit the course of foreign policy formulation in Japan to an extent that cannot be overemphasized. The democratic institutions imposed during the occupation rest in a fragile alliance with the political traditions of Japan.

The great historic problem of modern Japanese politics has been the high degree of separation between those formal political institutions borrowed from the West, together with the set of ideas that accompanied them, and much broader social institutions bred from within Japanese society, together with the set of ideas that accompanied these.<sup>18</sup>

Associated with the one party rule that has emerged in Japan, a unique style of factional politics has developed within all political parties but particularly in the powerful, ruling Liberal Democratic Party (LDP). This factional system flavors the manner in which foreign policy is determined and it has made it much more difficult for the ruling party to

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<sup>17</sup>Donald C. Hellmann, Japanese Domestic Politics and Foreign Policy (Berkeley and Los Angeles, 1969) p. 13.

<sup>18</sup>Robert A. Scalapino and Junnosuke Masumi, Parties and Politics in Contemporary Japan (Berkeley and Los Angeles, 1965) p. 5.





initiate dynamic and constructive foreign policy options.

As a result of the factional system and of a natural "little brother" relationship with America, much of Japan's history of foreign policy since 1951 has been a type of "knee jerk" reaction to foreign policy initiatives of the United States.

Another problem closely connected with the intra-party factional divisions of the LDP, is that the opposition parties in Japan have, except for a short period during the occupation, remained in opposition. These parties--the Socialists (JSP), Communists (JCP), and Komeito--have, since they have been in opposition permanently, tended to use irresponsible and destructive political tactics. Incidents of fisticuffs on the floor of the Diet are prominent examples of this destructive style of political opposition. These opposition tactics have been characterized by a policy of opposition for opposition sake, and these parties have not attempted to gain power through the development of pragmatic political strategies and have failed to offer viable political alternatives.

Despite the fact that foreign policy decisions are made exclusively by the conservatives, the unique traditional form of consensus decision making in Japan encourages the LDP to take into consideration the extremist position of the opposition parties. The result is a softening and compromising of most controversial foreign policy positions to take into





consideration the opposition viewpoint. The results of the national elections in 1972 show a dramatic increase in opposition seats and may indicate that these parties, particularly the JSP and JCP, may have adopted more reasonable and pragmatic political strategies. For the first time it may be that the opposition sees the opportunity to gain significant political power through the electoral process.

While the domestic style of factional politics and economic issues influence foreign policy, the question of security--conventional versus nuclear rearmament and the security relationship with the United States--occupies a central position in the Japanese debate. Security policy has served as the focus of the opposition parties criticism of the LDP. The opposition's adamant stand in favor of a vague, undefined "neutrality" and abrogation of the security treaty has set the boundaries for political debate. The opposition has inhibited the conservatives from taking the initiative in formulating policy. Short term actions rather than broad, long range programs have become the style of security planning. Finally, because security and defense planning are such politically sensitive subjects and partly because of the Japanese economic orientation toward foreign policy, a strong stand for a strengthened military posture, other than for defense of the home islands, has not been a politically viable



position. In this regard, Donald Hellmann has pointed out that:

The very fact that the issue of disarmament has become so integral to domestic partisan machinations will make extremely difficult easy transition to security responsibilities beyond passive territorial defense, no matter how strong the national imperative.<sup>19</sup>

After the Korean War, Japan made a conscious decision to make rapid economic growth the basic goal of foreign policy. This goal ignored the political implications of economic and political interdependency and this "trading company" style of foreign policy earned Japan the title of "Japan Incorporated." In a real sense, Japan's style of economic foreign policy was possible because the United States had established a security "status quo" in East Asia.

The Nixon Doctrine and the prospect of American disengagement from Asia have threatened the foundations of Japan's post war security position and have brought to the forefront the politically painful and potentially divisive issues concerning the scope of Japan's security interests and military policies beyond self defense.<sup>20</sup> For Japan, the American rapproachment with China has added another apparently

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<sup>19</sup>Donald C. Hellmann, Japan and East Asia: The New International Order (New York, 1972) pp. 156-157.

<sup>20</sup>Robert E. Osgood, The Weary and the Wary (Johns Hopkins University, 1972) p. 40.



destabilizing factor to East Asian politics.

The problem of foreign policy formulation in Japan is that, in a seemingly contradictory way, the very economic success of Japan has been a factor in restraining development of constructive, dynamic foreign policy options. "The momentum of past success," Donald Hellman has noted, "will inhibit new initiatives particularly in the military field."<sup>21</sup> The Japanese have been protected both by the United States and by the success of their economic "non-policy" from having to deal with complicated diplomatic problems or international crisis. The Japanese reaction to the Arab oil embargo illustrates the emergence of Japanese foreign policy from this warm cocoon into the cold and sometimes hostile environment of crisis involvement. This emergence, still in process, has and will continue to be difficult for the Japanese. Factionalism, the style of political opposition and the trading company attitude toward foreign policy all have combined to inhibit the development of a creative style of diplomacy and foreign policy formulation. Japan is an economic superpower that has not developed yet its own style of foreign policy. Certainly this Japanese style of "non-policy" was extremely efficient in an Asia stabilized by the United States. The problem

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<sup>21</sup>Hellmann in Morley, p. 156.





emerges, as it has recently in the Southeast Asian turmoil and the Arab embargo, when Japan is faced with the necessity to react to problems in an unstable world without the assurance that the United States will provide stability and protection. This insecurity on the part of Japanese policy makers, combined with the prospect that the Japanese economy will not be able to continue its spectacular growth, implies that Japan's past style of "economic non-involvement" is no longer going to be viable.

B. Domestic Politics and Security. The conservative Liberal Democratic Party (LDP) has ruled, with one exception during the occupation, since 1945. Until the Diet elections of 1973, the opposition parties showed little real threat of cutting into the traditional political strength of the LDP. However the general election for the House of Representatives in December 1972 showed a strong rise in the strength of the Japan Communist Party (JCP).<sup>\*</sup> In this election, one of every ten voters voted for the Japanese Communist Party. This opposition party acquired 38 seats in the House of Representatives and became the second ranking opposition party behind the Socialists in total seats. Because of their historic opposition to the Japanese-American security arrangement, the

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<sup>\*</sup> Table 2 shows the 1972 election results.





TABLE 2

## JAPANESE GENERAL ELECTION OF DECEMBER 10, 1972

PARTY	NEW DIET	OLD DIET	VOTES	PERCENT OF TOTAL
LDP	271	297	24,563,078	46.86
JSP	118	87	11,478,600	21.90
JCP	38	14	5,496,697	8.46
KOMEITO	29	47		
DSP	19	29	3,659,922	6.89
OTHER GROUPS	2	--	143,019	0.27
INDEPENDENTS	14	3	2,645,530	5.05

Keesing's Contemporary Archives, January 15-21, 1973.



rising strength of the opposition parties has serious implications for Japanese defense policy.

The Japan Socialist Party (JSP) remains the second strongest party in Japanese politics. The position of this party on defense is an extreme one and has not varied to a great extent over the history of the party. The JSP position on defense calls for the institution of "unarmed neutrality" and complete abrogation of the Mutual Security Treaty with the United States. This party also calls for the disbanding of the Self Defense Forces, withdrawal of American forces and abandonment of all military bases.

The position of the Japanese Communist Party (JCP) on defense matters is less well defined. The JCP argues for termination of the Mutual Security Treaty and the eviction of United States forces. However, unlike the JSP, the communists have never championed unarmed neutrality. Rather, they have maintained that some type of socialist military force will be necessary for defense against American aggression.

The Komeito, the Clean Government Party, until the poor showing in the 1972 elections, argued for a gradual dissolution of the Security Treaty. In 1973, however, the Komeito proposed for the first time a complete abrogation of the treaty. In the Komeito view, Japan would then enter into a period of complete neutrality. The Komeito also calls for the removal of American



bases with Self Defense forces being converted into a National Guard, eventually to be combined with a United Nations Police Force.

The Democratic Socialist Party (DSP), which has become the smallest of the opposition parties, advocates the revision of the Security Treaty to do away with the stationing of American forces in Japan. The DSP, however, has rejected unarmed neutrality and outright abrogation of the treaty. It contends that the United States would supplement Japan's Self Defense Forces with the deterrent power of the Seventh Fleet and with nuclear weapons stationed outside Japan.

In the opposition parties there is general agreement, with the exception of the DSP, that the Mutual Security Treaty should be abrogated. All opposition parties therefore have a pervasive general hostility toward the United States, a hostility which finds an object of attack in this Mutual Security Treaty. Since, under the present provisions of the Security Treaty, either party can cancel it with advance notification of one year, the result of any opposition party or of a coalition of parties gaining power could mean the cancellation of the Security Treaty and perhaps a change in the status of the Self Defense Force.

Even within the ruling Liberal Democratic Party there is open debate over the proper position of Japan under the Security



Agreement. The basic position of the ruling LDP is that the Self Defense Forces should be strengthened and maintained to provide for the defense of Japan proper. The Security Treaty in the LDP view provides strategic security and is the foundation for the defense of Japan. Many government officials have tended to see the commitment of the United States as an important part of the ability of Japan to minimize expenditures on defense. For example, in 1970 the Director General of the Japanese Defense Agency reported that if the SDF took over from the United States all military responsibilities in Japan apart from the question of nuclear weapons, that the cost would be four or five times the present defense budget.<sup>22</sup> Other government officials have predicted that Japan will have to develop an autonomous defense capability with a gradual lessening of dependence on the Security Treaty. However the planning for security policy has been far from dynamic or all-inclusive. The structure of the Japanese political system has meant that taking a strong position on strengthening defense could mean political suicide.

Until 1973 the LDP, despite internal factions and divisions, has presented a relatively strong and cohesive front,

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<sup>22</sup>John K. Emmerson, *Arms, Yen and Power: The Japanese Dilemma*. (New York, 1971) p. 136.





especially during elections. However in a new development, the rise of a highly nationalistic, ultra-conservative and virulently anticommunist faction, the Seirankai, threatens to disrupt the traditional cohesiveness of the Liberal Democratic Party. This new organization is made up basically of young and talented men who have been attractive and successful candidates in recent elections. The development of this highly nationalistic faction throws a further unsettling element into the future of Japanese domestic politics and questions the ability of the LDP to continue to rule the country with progressive and dynamic policies.

C. The Base Problem. While many sectors in the United States have maintained that Japan receives an American financed free ride in the security area, the Japanese feel that they pay a fair price in the form of base rights. The American bases in Japan have been a major source of domestic political friction. They serve as a conspicuous, concrete example of the Security Treaty and as an object of attack for opposition parties. In the past they have been the focal point for serious violent political demonstrations. In addition to acting as a psychological irritant, they take up valuable real estate in a nation that is rapidly running out of living space. This base problem is a complicated one for both the United States and



Japan. In a sense these bases, despite being politically sensitive, have come to symbolize the American commitment to Japanese security.

Yokosuka, Japan sits on a corner of Tokyo Bay south of the Tokyo/Yokohama industrial complex. It has been a major naval base for decades, first for the Imperial Japanese Navy and then for the United States Seventh Fleet and the Japanese Maritime Self Defense Force. In 1970 the United States with the agreement of the Japanese government made arrangements to withdraw all naval forces in Yokosuka to Sasebo, a smaller naval base in southern Japan on the island of Kyushu. This shift would have removed the United States from a relatively conspicuous location in the heavily industrialized and urbanized Tokyo/Yokohama complex to a more remote city. After the arrangements were made, in an about face, the Japanese government indirectly requested that the United States retain its forces in Yokosuka. The United States then reversed all withdrawal arrangements and returned those units that had been moved to Yokosuka. It appears that this reversal was motivated, in part, by the Japanese government's desire to maintain American military presense in a conspicuous position.

Next, in a virtually unreported move in 1972, the United States shifted the attack carrier Midway and a destroyer squadron, along with associated air units and dependents, to



Yokosuka for what was termed a forward deployment. It was actually a foreign homeporting of United States warships. The significance of this move as an American commitment to Japan has escaped American and Japanese observers and, strangely enough, the press. For even in the halcyon days of United States/Japanese relations in the early 1960's, no aircraft carriers were permitted to be homeported in Asia or for that matter in any other foreign port.

In the face of a Nixon Doctrine, which was interpreted as a withdrawal from Asian commitment, and the United States-China detente which was seen as a threat to Japan's security, the United States sent to Japan a formidable striking force including one of the Seventh Fleet's powerful carriers. At the same time, Japan requested the United States to remain in a military base that in previous years had been a point of domestic friction and the object of opposition party criticism. These two actions seem to contradict two common assumptions. First, despite the rhetoric of the Nixon Doctrine and the assertion that this doctrine has resulted in a withdrawal of commitment to Japan's security, the opposite seems to be the case. Second, while United States bases in Japan are a real source of friction, Japan when faced with an opportunity to remove part of this friction, chose not to do so. This decision, in part, reflected Japan's desire to retain the United States





security commitment in a conspicuous position, in spite of the very real political costs associated with this commitment.

D. Security Organization.

SDF. The ability of Japan to defend itself and the status of its security forces will be a vital determinant to future foreign policy decisions. In the same way that the Korean War gave impetus to the Japanese economy, it also provided the creative spark for the organization that was to grow into the Self Defense Force. The initial step was the establishment of a 75,000 man National Police Reserve Force and a Maritime Safety Agency. When Japan regained its independence in 1952, a National Safety Agency was established to oversee the former Police Reserve and Maritime Guard Force. This, in turn, was superceded by the Defense Agency, comprising the old security groups under the title of Ground, Air, and Maritime Self Defense Forces. As the names of the security organizations have undergone change, so have the purposes of these forces evolved from simple internal security to national defense. This Self Defense Force has grown into a military organization with a powerful conventional capability.\*

While Japan has consistently spent under one percent of

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\* Appendix II illustrates Japanese SDF force and equipment levels.





its GNP for defense, it still supports a growing military organization. In terms of total military expenditures, Japan ranked thirteenth in the world in 1970.\* While military expenditures in terms of GNP has remained almost constant over the past several years, the growth in GNP from \$14 billion in 1951 to \$317 billion in 1971 has meant that the absolute sum spent on defense has increased over 20 times since 1950.

The limit on defense spending of one percent of the GNP has become virtually institutionalized in Japan and there are strong political pressures in government and society which tend to maintain this spending level. Not the least of these pressures is a general antipathy, which grew out of World War II, toward the military. The opposition of the JSP and JCP is another important factor in restraining military budgets.

Japan conducts defense planning in terms of five year defense programs and presently is in the midst of the Fourth Defense Plan scheduled for 1972-1976. The program, as are all defense plans, has been and continues to be the subject of intense debate in the Diet. Security policy historically has been one area of explicit division between the political parties and matters of defense policy often serve to focus political debate.

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\* Appendix III and Table 3 illustrate the trend of defense expenditures.



TABLE 3

MILITARY EXPENDITURES

JAPAN 1961-1972

<u>YEAR</u>	<u>GNP</u>	<u>% OF GNP</u>
1961	485	.9
1962	558	.9
1963	497	.7
1964	836	1.2
1965	781	.9
1966	933	1.0
1967	1,040	.9
1968	1,146	.8
1969	1,301	.8
1970	1,522	.8
1971	1,864	.7
1972	2,600	.8

Source: World Military Expenditures 1971. United States Arms Control and Disarmament Agency. pp. 31-32.



The Fourth Defense Plan has proposed the expenditure of \$16.5 billion through the period 1972-1976 and this level of expenditure was expected to remain below the one percent limit that has been the unwritten ceiling for several years. Since this Fourth Defense Plan has emphasized technical improvements rather than a large increase in manpower, the budget is heavily oriented toward the purchase and development of military hardware and technical improvement of the armed forces.

#### The Defense-Business Relationship.

Throughout their history the Japanese have admired good craftsmanship and have been able to master almost any technology available to them. In addition, they not only were able to copy another nation's technology but usually were able to change and perfect it in such a way that it became either typically Japanese or at least better for their purposes than the original model.<sup>23</sup>

The business-government relationship in Japan is truly unique. In a country which has had as its primary goal national growth, industry plays a major role. Obviously the relationship between industry, the government and defense policy is important to any study of how national technology and defense policy are related. The Ministry of Finance and the Ministry of Trade and Industry (MITI) are the principle ministries in the Business-Government-Defense relationship. The Ministry of Finance controls

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<sup>23</sup>Kahn p. 33.



and passes on all budget allocations and is generally considered to be the most powerful of the various bureaus. This influential bureau has expressed a preference (largely on fiscal grounds) for the importation of foreign weapons over domestic production.<sup>24</sup> In addition, the Ministry of Trade and Industry has the responsibility of national industrial development and as such is deeply involved in the development and encouragement of new technology.

With the rising industrial development of postwar Japan, business became respectable. This was a revolutionary change from traditional prewar Japan in which business was not considered a "suitable" profession. Now the brightest and best university graduates aim for a career in the business community. Combined with this new respectability, there is a high degree of mobility between the leaders of the business community and positions in the government. This mobility has institutionalized informal liason between government officials and business leaders.

While there is nothing in Japan approaching the scale of the so-called United States military industrial complex, business leaders do attempt to influence the government in

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<sup>24</sup>Zbigniew Brezinski, The Fragile Blossom (New York, 1972) p. 103.





defense policy. One of the major ways in which this is done is by the Federation of Economic Organizations (Keidanren). This prestigious organization represents all major Japanese firms. Keidanren has a Defense Production Committee which performs as a combined lobby and as a source of technical expertise on arms production. It has been quite influential. For example, after the decision had been made in 1969 to produce domestically their own Phantom jets, the Defense Production Committee was called in by government to help consider technical production questions--what new factories would be needed and what level of production could be expected.<sup>25</sup> Another lobby, called the Japanese Weapons Industry Organization, has been in existence for several years. This group of arms manufacturing industrialists have advocated a larger share of the budget of the Ministry of Science and Technology be allocated to defense needs.<sup>26</sup>

A third influential business organization is the Japan Federation of Employers (Kikkeiren) which operates on a more public level. This organization, with others, presents the familiar argument that the economy as a whole will benefit from new military research and development through "spin off"

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<sup>25</sup>Kaplan, pp. 112-113.

<sup>26</sup>Brezzezinski, p. 100.



to civilian industry.

Under certain economic conditions, the defense industry could become one of the most important domestic pressures for increased defense spending. One of the main objects of overall defense strategy as outlined by the Defense White Paper 1970 has been to gain independence in production of Japan's own defense requirements. This goal has not yet been realized for Japan has not yet acquired the technological capability to produce independently from its own research and development the sophisticated fighter planes, missiles, and other automatically controlled weapons the Japanese want. For these it must rely on licensing arrangements with the United States.<sup>27</sup> Despite this desire for independence, for reasons of economy Japan has made the decision in some specific areas that the development of separate military technology, at the present time, is not worth the expense or effort. However, Japan, where feasible, has not abandoned the effort to become self-reliant in weapons production. Even if it is a more expensive process than foreign purchase, the desire for an independent capability remains strong. For example, when the Ministry of Finance recommended that development of the FS-T-2 supersonic close support fighters by Mitsubishi Aircraft be abandoned for the cheaper purchase of the United States Northrop F5B/E series,

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<sup>27</sup>Morley, p. 32.



Prime Minister Tanaka rejected the proposal.<sup>28</sup>

While the defense portion of total Japanese industrial production is quite low, there are domestic economic conditions and pressures which could encourage an increase in the portion of production devoted to defense.\* One of these pressures is the role of the defense industry and its unique position in the Japanese economy. The defense industry is not intrinsically important but, rather, important because the firms that are involved in defense production are also giants of Japan's civilian economic sector.

The major heavy machinery and heavy electronics equipment manufacturers rank high in the production of defense material. The contracts to the five biggest manufacturers for 1969 totaled 57 percent of the total defense production. Mitsubishi Heavy Industries and Mitsubishi Electric alone accounted for 36 percent of all defense contracts. In fact, Mitsubishi Heavy Industries easily is Japan's leading defense producer, receiving over thirty percent of all domestic contracts and, with the exception of the Badge Dection System, Misubishi has manufactured all major weapons items not imported from the United States.\*\*

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<sup>28</sup>Aviation Week and Space Technology, November 1, 1971, p. 14.

\*Table 4.

\*\*Table 5.



TABLE 4

POSITION OF DEFENSE PRODUCTION IN INDUSTRIAL PRODUCTION  
(100 million yen)

Year	Defense Production (a)	Industrial Production (b)	a/b
1958	1,016	92,464	1.1
1959	1,003	132,312	0.8
1960	1,158	169,068	0.7
1961	1,035	202,992	0.5
1962	1,201	203,498	0.6
1963	1,287	227,140	0.6
1964	1,610	266,379	0.6
1965	1,417	281,827	0.5
1966	1,476	326,388	0.5
1967	1,723	396,623	0.4
1968	1,708	462,845	0.4

"Reality of Defense Industry in Its 20th Year" TOYO KEIZAI  
September 19, 1970. Summaries of Selected Magazines, U.S.  
Embassy, Tokyo, November, 1970, pp. 15-25.





TABLE 5

POSITION OF DEFENSE INDUSTRIES 1969  
(100 million yen)

Industry	Sum of money of contracts (a)	Rate to total of contracts sales (b)	a/b	
Mitsubishi Heavy Industries	701.3	30.9	7,072.5	9.9
Kawasaki Heavy Industries	214.1	9.5	2,159.5	9.9
Ishikawajima-Harima	191.7	8.5	3,365.9	5.4
Mitsubishi Electric Machine	113.6	5.0	3,761.3	3.0
NEC	59.0	2.6	1,957.0	3.0
Toshiba	47.5	2.1	5,502.0	0.9
Hitachi, Ltd.	38.2	1.7	6,750.8	0.6
Komatsu Mfg.	36.4	1.6	2,076.4	0.8
Japan Aircraft Mfg.	28.2	1.2		
C. Itoh & Co.	23.8	1.1	2,564.3	0.1
Shimazu Mfg.	23.5	1.0	326.1	7.2
Daikin Industry	23.3	1.0	403.6	5.8
Fuji Heavy Industries	23.1	1.0	975.9	2.4
Maizuru Heavy Industries	22.6	1.0		
Sumitomo Heavy Machinery	21.8	1.0	904.8	12.4
Mitsui Shipbuilding	17.9	0.8	1,179.1	1.5
Tokyo Precision Instrument	17.9	0.8	144.7	2.4
Isuzu Motors	17.9	0.8	1,948.8	0.9
Oki Electric Industry	16.5	0.7	575.2	2.9
Fujitsu Ltd.	16.2	0.7	1,194.2	1.4

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"Reality of Defense Industry in Its 20th Year," TOYO KEIZAI  
September 19, 1970. Summaries of Selected Magazines, U.S.  
Embassy, Tokyo, November, 1970, pp. 18, 19.



The defense industries, with justification, have been called oligopolistic, Table 5 illustrates how four giant companies dominate the defense industry. While these huge companies obviously deal largely in production of other than defense material, defense sales continue to be a significant part of their total revenue. A basic question then is what forces or economic conditions would lead these industries to lobby for expanded production in the defense sector? There are several conditions which might encourage expansion in this area.

The severe labor shortage facing Japan is a major problem for all Japanese industry. In 1970-1971, the Japanese Labor Ministry predicted the current skilled labor shortage at 1,820,000.<sup>29</sup> The problem has not improved since then. This acute labor shortage has two related areas of impact on the defense industry. First, because the shortage has caused an accelerating upward spiral of wage demand, labor intensive industries in Japan find it increasingly difficult to compete with labor intensive industries of other Asian nations. One strategy for combating this labor shortage is to establish the labor intensive industry in the countries with inexpensive labor forces. Japan is doing this in Korea, Taiwan, Indonesia,

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<sup>29</sup>Brezzezinski, p. 103.



and Thailand. A second general result of this labor shortage has been to encourage the growth in Japan of capital and knowledge intensive industries. The defense companies are, for the most part, capital and knowledge intensive. In this regard arms production is viewed as an area in which Japan can compete effectively on both an international and domestic basis.

In a reversal of past high growth and capital export policy, the government recently has shown signs of moving to restrict the outflow of capital and encouraging this capital to be invested domestically. This is a logical economic tactic to combat a declining growth rate. A reasonable area for this capital to be invested would be in the capital or knowledge intensive industries of the industrial-defense sector.

Another important point in consideration of the possible influence of the defense industry is that demand in the non-defense sector is less elastic. For example, in a period of economic downturn in which the government might want to stimulate the economy by increasing domestic demand, it is easier to create this demand with expanded defense spending than to create demand in the civilian sector where demand is relatively inelastic. In other words, government can develop an artificial demand and spur the domestic economy through expanded





defense contracts more easily than this can be done in the civilian sector.

In addition to being an area in which an elastic demand can be created artificially, the arms industry offers the added incentive of being another source of export revenue. The Japanese are building an arms export industry which has applied pressure on the government to relax restrictions on exports of arms. This pressure could become significant, especially if the trade balance continues to decline and the government begins to search for new industries to act as sources of export revenue. However, to this point, the general national pacifist bias and strict government regulation has strictly limited arms exports. MITI regulates arms exports in accordance with three basic principles: no sales to communist countries; to countries embargoed by the UN; or belligerents. While arms industry wants to expand arms exports, its desire has been tempered by both public opinion and strict government regulation. "Fear of antagonizing public opinion at home and abroad," remarks Frank Langdon, has kept them (the arms industry) from clamoring too loudly and Japan's trade balance has been too favorable for their economic arguments to gain much attention."<sup>30</sup> The disappearance of a favorable balance of trade may raise the volume of the voice of the arms industry

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<sup>30</sup>Frank Langdon in Morley, p. 134.





and its influence with the government.

The bleak outlook for future economic growth and the opposition of the JCP and JSP in the Diet has meant that the Fourth Defense Plan has undergone hard sledding. The president of Mitsubishi Heavy Industries for example has complained that about 10 percent of the workers at this company's aircraft division will be left idle even if the Fourth Defense Plan is fully implemented.<sup>31</sup> It is a general disappointment to the arms industries as a whole that some of the original programs scheduled in the Fourth Defense Plan have been cancelled. These cancellations and delays have had the additional effect of inflating weapons systems prices.

Another problem faced by the defense industries in Japan, one that inflates contract prices and pushes expansion, is the requirement for increased spending for weapons research and development. The Japanese Defense Agency's program for research and development is very limited.\* Japan allotted only 1.4% of the 1972 defense budget to research and development compared to 9% in the United States, 17.1% in France, and 5.9% in West Germany. As a result, the defense firms themselves bear the burden of a large amount of R & D outlays. These

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<sup>31</sup>The Oriental Economist, February 1973, p. 15.

\* Table 6.



TABLE 6

1972 PERCENTAGE OF DEFENSE EXPENDITURES BY CATEGORY  
(Fiscal Year)\*

Category	BRITAIN	FRANCE	GERMANY	JAPAN	U.S.A.	CANADA
Pay and allowances	45.2	34.0	43.5	46.0	49.7	63.6
maintenance	12.7	19.3	25.8	23.1	17.0	26.2
Total current	57.9	53.3	69.4	69.7	66.7	89.8
Procurement	24.9	24.8	17.0	25.4	22.7	6.1
Research and development	11.3	17.1	5.9	1.4	9.0	2.4
Other Capital	5.9	4.8	7.7	3.5	1.6	1.7
Total Capital	42.1	46.7	30.6	30.3	33.3	10.2

\* From: The Military Balance 1973/74. Fiscal year figures: Britain, Canada and Japan, 1 April-31 March; France and Germany, 1 January-31 December; U.S.A. 1 July -30 June.



expenses are then passed on to the government in the procurement contracts. When cutbacks occur, as they have in the Fourth Defense Plan, costs have to be absorbed by the industries. These industries argue that under the circumstances, it is incumbent upon the Defense Agency to increase procurements and take other countermeasures under the Fifth Defense Plan if procurements of the weapons are not sufficiently large under the Fourth Defense Plan.<sup>32</sup> Thus cutbacks in one program have the tendency to inflate the next five year defense plan.

Another pressure for increased defense spending comes from those industries whose existence depends exclusively on defense contracts. Perhaps the best example is the aircraft industry. Table 7 illustrates the important role that the Defense Agency plays in creating demand in the aircraft industry. In 1972, for example, the Defense Agency accounted for 81 percent of the total aircraft demand. Again Mitsubishi Heavy Industries, Fuji Heavy Industries and Ishikawa-Harima Heavy Industries dominate the aircraft production. The major aircraft firms, because of their heavy dependence on defense, continue to press for increased expenditures in this area. In 1972 Mitsubishi, Fuji and Kawasaki all complained of from 10 to 20 percent declines in the utilization of their facilities. The

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<sup>32</sup>Ibid. p. 19.



TABLE 7

SUPPLY AND DEMAND OF AIRCRAFT  
(100 million yen)

Year	Total Production	SDF	U.S. Forces	Domestic	Export
1967	789	467	57	168	98
1968	922	481	49	219	174
1969	986	530	57	270	129
1970	1,103	709	50	256	89
1971	1,097	777	38	214	69
1972	1,350	1,092	25	142	90

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Source: Japan Economic Yearbook 1972, p. 162. 1972 figures from The Oriental Economist, June 1973, p. 39.





aircraft industry, knowledge intensive and technologically oriented with little hope of expanded production in the commercial area, will continue to be one of the loud voices demanding increased defense expenditures.

The impact on government of pressure from the defense industry to expand weapons production will depend largely on the state of the general economy. As long as a high growth rate continues and the giant industrial groups are producing at or near capacity, there should be less pressure to expand defense contracts. However, if there is a general economic downturn in which the industrial giants are faced with large excess capacities, the demands of these industries for government defense contracts will become much stronger. In this type of scenario, the government might tend to look at defense production as a logical area in which to promote domestic demand. It has been demonstrated that it is probable that the Japanese economy for a wide variety of reasons such as increases in costs and more limited access to raw materials, a severe labor shortage, and domestic political pressures, faces a declining growth rate. This declining growth rate, in turn, will strengthen the Japanese Self Force and those sectors of Japanese society that are interested in developing and increasing Japan's security capability.



The Nuclear Dilemma. While Article IX of the Constitution denied the right of belligerency, and there has been, until recently, adamant opposition to even the discussion of nuclear weapons in Japan, the 1970 Defense Agency White Paper provides an interesting insight to the present situation:

Even though it would be possible to say that in legal and theoretical sense possession of small nuclear weapons falling within the minimum requirement for capacity necessary for self-defense and not posing a threat of aggression to other countries, would be permissible, the government, as its policy, adopts the principle of not attempting at nuclear armament which might be possible under the Constitution.<sup>33</sup>

What the Defense Agency is doing in this case is to leave the nuclear option open. The significance of the above paragraph is that 15 or even 10 years ago the subject could not have been raised by the Defense Agency without severe criticism from all sides. The impact of the understandable "nuclear allergy" resulting from Japan's experience in WW II has been on the wane. Political and psychological barriers to nuclear armament are declining in Japanese society and politics.<sup>34</sup>

As further evidence of the changing views on nuclear weapons, while Japan has signed the Nuclear Nonproliferation Treaty, it has not been, and the prospects are that it will

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<sup>33</sup>The Defense of Japan (Tokyo, 1970) p. 40.

<sup>34</sup>Shelton L. Williams, Nuclear Nonproliferation in International Politics: The Japanese Case, (Denver, 1972) p. 23.



not be, ratified. Discussion concerning nuclear weapons is now in the open. In addition, the government has presented the view that nuclear and conventional weapons are theoretically the same thing in so far as they are used for defense protection.<sup>35</sup> A natural conclusion from the above evidence is that the Japanese government is keeping its options open concerning the decision to develop nuclear weapons. The next question concerns the status of nuclear science and technology in Japan today and the possibility of moving civilian commercial nuclear technology into weapons construction?

In contrast to other countries, Japan's progress in nuclear development has been in the hands of civilian agencies and private industry. Control over nuclear development is embodied in legislation: Japan's Atomic Energy Act, article II, confines research, development, and application in the field of nuclear energy to peaceful use of the atom.

Japan's nuclear power industry has been expanding rapidly. There are presently six nuclear generating plants with one more to be added by 1975 giving the country a generating capacity of 6000 megawatts by 1985; a program that would make it second only to the United States by that time. One problem

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<sup>35</sup>Ibid.





for Japan's industry is that it is now completely dependent on the United States for enriched uranium, the fuel used in its power generating plants. An Atomic Energy Agreement signed in 1968 guarantees this supply for thirty years. Nevertheless, Japan has been attempting to develop her own fuel sources.

There are two basic methods of obtaining enriched uranium. The gaseous diffusion method is presently the only commercially exploitable process although it is expensive and difficult. The second process is the gas centrifuge which, once perfected, will lower the electricity costs of enriching uranium. Japan has been conducting research in both of these processes. A third method of obtaining fissible materials is the fast breeder reactor which converts slightly enriched uranium to PU 239 and will actually produce more Plutonium than it consumes.<sup>36</sup> The Japanese Power Reactor and Nuclear Fuel Development Agency has been set up to develop fast breeder reactors by the 1985-1994 period.

One interesting factor in the development of the Japanese nuclear power industry is that it was done without the initial heavy government involvement where that involvement has been characteristic of other high technology industries such as

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<sup>36</sup>Ibid. p. 30.





computers. Capital for power plant construction has come from the United States Export-Import Bank and from a limited amount of Japanese industrial investment. One of the problems until recently has been capital and the splintering of funds between the two types of fuel enrichment processes has hindered the overall development progress.<sup>37</sup>

However, despite the fact of limited and hesitant enthusiasm for investment, Japan's accomplishments in the peaceful uses of nuclear power are significant and many authorities have demonstrated how progress in the civilian area could have military application. The availability of fissionable materials is the most critical element in the development of nuclear weapons. In a 1968 report, the Security Research Council, an auxiliary organization of the Defense Agency, stated that 20-30 weapons a year could be produced if the Tokai reactors of Japan's Atomic Power Generation Company could be devoted only to production of Plutonium 239.<sup>38</sup> On the same subject, in 1969, Japan's Science and Technology Agency said Japan had enough fissionable material on hand to produce ten atomic bombs and the stockpile would reach fifty tons by 1985--enough to build 150 atomic bombs.<sup>39</sup>

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<sup>37</sup>Morley, p. 127.

<sup>38</sup>Williams, p. 3.

<sup>39</sup>Albert Axelbank, Black Star Over Japan, (New York, 1972) p.223.



Before taking these statements at face value, however, a caution is in order. The most simple nuclear weapon is a gun type. This weapon requires enriched uranium 235 while the more complicated implosion weapon can be made with Plutonium 239. The problem for weapons makers is that most Plutonium produced in civilian facilities is contaminated with Plutonium 240, an element which would make a weapon highly inefficient and unstable. The quality of the Japanese supply of Plutonium is unknown but it may not be accurate to assume that it all would be suitable, without further and extensive processing, for weapons fabrication.

Assuming that the Japanese could put forth the effort to produce the required material, the next step is construction of a delivery system. Victor Gilinsky, discussing the cost of a nuclear weapons program, has stated:

There is no succinct answer because there is no unique cost of a nuclear warhead, any more than there is of an airplane. However, . . . it is probably reasonably accurate to say \$1 million per warhead--or more than several hundred thousand dollars and probably less than several million--with a minimum total program cost for a stockpile of perhaps tens of millions of dollars or more. In any event, the warhead cost will probably be less than the cost of a nuclear weapons' delivery system.<sup>40</sup>

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<sup>40</sup>Victor Gilinsky, "Military Potential of Civilian Nuclear Power," in Nuclear Proliferation: Prospects For Control, edited by Bennett Bosky and Mason Wilbrick, (Cambridge Mass, 1970) p. 52.



In any discussion of Japanese missile technology and delivery systems, it is worthwhile to note that many of the aircraft in the Japanese Air Self Defense Force could carry or be modified to carry nuclear weapons.

Like the Japanese nuclear program, Japan's space program began as essentially a civilian project, without significant government supervision. This program has progressed from the firing of the unsophisticated "pencil" in 1955 to the successful launching of a satellite in February of 1970. Japan has developed a dual set of goals for this space program. Emphasis is placed on both developing domestic technology and in introducing foreign technology to reduce areas in which there are technological gaps. The Science and Technology Agency and the National Space Development Agency direct the planned space program. These agencies have a sophisticated programmed schedule of satellite launching beginning in 1975 and finishing in 1977.

One of the greatest changes in Japanese goals has been in the development of a domestic booster stage with a programmed lift-off thrust of 700,000 lbs. However, the agencies decided that national attempts to develop the booster would take excessive time and delay scheduled launches. McDonnell Douglass Thor Delta then was picked as a replacement and several were purchased. "Although the quantity is small, such





a step will permit the Japanese industry to improve its technical competence in this area."<sup>41</sup>

Japan's demonstrated competence and accomplishments in space technology are indeed significant but there are problems. In its application to a weapons program. There are major steps necessary to transfer this civilian development to military application. One area in which there are basic deficiencies is in Japan's development of the guidance system necessary to build a missile delivery system. The United States, while it will sell Thor Delta rockets to Japan, has shown extreme reluctance to part with design data for such sensitive items as accelerometers and precision gyroscopes.<sup>42</sup> At the same time, "The telling indication of Japan's move toward military use of their space missile systems would be the initiation of a program to develop re-entry techniques."<sup>43</sup>

One of the elements in both the nuclear and the missile fields which will tend to limit the military application of these civilian projects is the attitude of the people involved. This is an important element because the academic and scientific community is strongly anti-military and generally anti-government.

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<sup>41</sup>Aviation Week and Space Technology, November 1, 1971, p. 65.

<sup>42</sup>Williams, p. 33.

<sup>43</sup>Ibid.





The reasons for this attitude are many and varied and the opinions of authorities vary as to the impact this attitude would have on the decision to develop nuclear weapons.

"The rarity of academic proponents of an independent deterrent," writes John Welfield, "is not really surprising in a nation where, for the past twenty years, pacifism, opposition to nuclear weapons, fear of a militarist revival and some kind of vague belief in Socialism have been . . . the very hallmark of academic orthodoxy."<sup>44</sup> Welfield goes on to contend that he believes that with the pacifist mood of the Japanese scientific world, it would be impossible to obtain the cooperation of the four or five hundred scientists necessary for the implementation of a nuclear weapons' program. Taking the opposite point of view, George Quester argues that the nuclear allergy is eroding and that Japanese scientists will definitely become more and more equipped to produce weapons when requested.<sup>45</sup> In defending his position Quester contends that the increased employment opportunities in the applied nuclear physics of the electrical power industry will weaken the traditional academic control of junior physicists

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<sup>44</sup>John Welfield, Japan and Nuclear China, (Canberra, 1970) p. 29.

<sup>45</sup>George Questar, "Japan and the Nuclear Non-Proliferation Treaty," Asian Survey, September 1970, p. 776.



pro-bomb impulses. While the Japanese scientific community is hostile to government and the control of the present nuclear programs are in the hands of civilians who are particularly sensitive to the military implications of their endeavors, Japanese scientists are not a central force in the making of policy decisions. The conservative government and bureaucracy has maintained close control of the policy making process.

The question for the future is whether the Japanese take the nuclear option. The required technology is available. For example, Zbigniew B. Brzezinski recently has stated that the Japanese have succeeded at their attempts at the centrifugal separation method for the enrichment of Uranium 235.<sup>46</sup> This development would give the Japanese a production capability in small plants at a relatively low cost. This capability, in turn, would make the Japanese independent of the United States for material for reactors and weapons.

The next problem for the Japanese would be the assembly and testing of weapons. Neither of these problems is insolvable. If the decision is made to build weapons, a place undoubtedly will be found to test them.

The third problem, once the decision is made, is the

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<sup>46</sup>Brzezinski, p. 103.



construction of a delivery system. On this question knowledgeable observers have stated that Japan could build a nuclear weapon within 2 years of making the decision and shift from the civilian space program to build an intermediate Range Ballistic Missile within three years of the commencement of the project.<sup>47</sup>

The technological ability to construct weapons and delivery systems is demonstratably within the capability of Japan. While the decision to take this path has not been made, the failure to sign the Nuclear Nonproliferation Treaty and the attempt to develop domestic uranium enrichment facilities indicate that the Japanese have left the decision open. The nuclear allergy and general opposition of the scientific community argue against any such development. On the other hand, there are indications that the Japanese are aware this step may be necessary in the future. On this point, the Japanese Defense Agency has stated that in order to defend Japan without the help of the United States it must have a national draft and nuclear weapons. In the same view, "I have predicted," states Herman Kahn, ". . .that within the next five or ten years the Japanese are likely to unequivocally start on the process of acquiring nuclear weapons."<sup>48</sup>

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<sup>47</sup>Osgood, p. 59.

<sup>48</sup>Kahn, p. 165.





If the Japanese do make the decision to develop weapons, it would cause turmoil both in society in general and in the scientific community in particular. The decision would be one in which the Japanese make a concerted decision to use technology in a much more sensitive way than in promoting the Japanese economy.

E. Public Opinion on Security Matters. A 1973 opinion poll by Tokyo Shimbun examined attitudes of the Japanese public concerning the Security Treaty, the Self Defense Force and Article IX of the Constitution.<sup>49</sup> On the question of the decision by a Sapporo District Court that ruled the SDF unconstitutional, 25.9 percent of those polled supported the decision, 25.1 percent did not support it, and 49 percent either did not have an opinion or did not know. In another question concerning the proper scale of the SDF, only 9.2 percent thought it should be strengthened, 49.3 percent thought the present scale satisfactory and only 9.5 percent of the people thought it should be reduced.

On the question of the revision of Article IX of the Constitution, only 20 percent of those surveyed believed that the article should be revised, while 41.4 percent opposed

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<sup>49</sup>Daily Summary of the Japanese Press, December 1-3; American Embassy, Tokyo, Tokyo Shimbun, November 24, 1973, pp. 18-24.





revision but wanted to retain the SDF. Fifteen percent believed there was no need for a Self Defense Force. On a question concerning the retention of the Security Treaty and the SDF, 4.5 percent felt that the SDF should be strengthened and the Security Treaty abolished, 43.1 percent felt that emphasis should be placed on the Security Treaty complemented by the SDF. Finally 12.9 percent called for abolishment of the Security Treaty and a reduced SDF. The results of this limited poll seem to indicate that the majority of the Japanese people favor the status quo as regards the Security Treaty, Self Defense Force and Article IX of the Constitution. The gradual growth of the SDF seems to confirm this status quo bias on the part of Japanese society despite the vocal opposition of the left.



## V. JAPAN IN EAST ASIA

While Japan is not a global superpower in the same sense that this status is recognized in the United States and the Soviet Union, it does wield great economic leverage. This is especially true in East Asia where Japan is recognized as a regional superpower. In East Asia,<sup>50</sup> Japan faces three primary potential security threats. These threats come from the two major powers who have influence and the desire to extend this influence in Asia, China and Russia, and with the remaining less developed countries of the region to whom Japan looms as a somewhat threatening giant despite its lack of military strength. The regional politics of East Asia can be understood best in terms of the interaction of the nations who act as regional superpowers--Japan, China, Russia, and the United States--and the bloc of less developed nations who, while not militarily powerful, are strategically and politically important.

As a result of the success of Japan's trading company style of foreign policy, it has become deeply involved in the economic fabric of East Asia. This relationship has been

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<sup>50</sup> East Asia in this sense includes the following countries: China, Japan, Korea, Taiwan, Burma, Thailand, Cambodia, Laos, Viet Nam, Malaysia, Singapore, Philippines, and Indonesia.



characterized as analagous to the dominant economic role of the United States in Latin America. The analogy is accurate. Japan, with the exception of South Viet Nam, is the leading trading partner of every country in East Asia. This huge economic role, despite Japan's attempt to treat economic, political and security matters as separate and distinct areas, logically leads to a deeper Japanese political involvement with these countries. The strategic and geographical importance of the countries astride critical ocean straits has been documented. These same countries serve as sources of raw material, as export markets, and as location for Japanese owned industries which take advantage of the large and relatively inexpensive labor forces.

Southeast Asia today seems more than ever an area of built-in instability, an instability with a propensity toward conflict. In none of these countries, except perhaps Singapore, is there a solid, positive base for stability. William Bundy has echoed the feelings of many observers such as Herman Kahn<sup>51</sup> when in 1971 he predicted that Southeast Asia would continue to be a source of violence for the next 20 years.<sup>52</sup> The Nixon

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<sup>51</sup>Kahn, p. 138.

<sup>52</sup>William P. Bundy, "New Tides in SEA", Foreign Affairs, January 1971, p. 190.



Doctrine and the emergence of nuclear China has added further elements of insecurity for the already burdened leaders of Southeast Asian countries. Dennis Bloodworth, an English journalist with broad experience in Southeast Asia, believes for example there is an almost pathologic instability in this area:

Nations do not run amok, but the new countries of Southeast Asia jealous of their often slender reputations and conscious of condensation in others will sometimes fling themselves into a seemingly senseless fury which bewilders the calculating West and introduces an X-factor into Far Eastern affairs which confounds all computers.<sup>53</sup>

This chronic instability or "X-factor" could have a serious destabilizing effect on Japanese policy and national security. With increasing economic interdependency, Japan will not be able to avoid, no matter how much it might hope, deeper political involvement in the morass of Southeast Asian affairs. With this involvement will come further foreign policy complications for Japan's economic and political security.

The disastrous Southeast Asian tour of Premier Kakuei Tanaka in January 1974 illustrated a growing problem for Japan. In a geographical area in which Japan is conducting rapid economic expansion, there is a vocal and growing outcry against

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<sup>53</sup>Dennis Bloodworth, An Eye for the Dragon, (New York, 1970) p. 280.





Japanese business policies and what is felt to be Japanese economic exploitation and imperialism. The riots in Bangkok and Jakarta, which had definite racial anti-Japanese overtones, indicated the Japanese public relations efforts in these countries has been somewhat less than successful.<sup>54</sup> These riots echoed cries of "Yankee Go Home" heard in the Latin America of 15 years ago. In a contradictory way, however, the anti-Japanese riots in Southeast Asia are another factor which encourages Japan to become even more deeply involved in this unstable area. As an outgrowth of Asian unhappiness with Japanese business policy, the pressure to increase foreign aid to Southeast Asia has increased. In response Japan has agreed to increase foreign aid. This involvement comes in a region in which Japan has proven itself least able to cope--a region definitely not status quo but rather changing rapidly, dramatically and most important unpredictably.

A. China Center Stage. From 1949 through 1970, China retreated from formal diplomatic relationships with most of the Western world. Japan, following as always the lead of the United

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<sup>54</sup>Thailand's Minister of Foreign Affairs has commented, "The Japanese stay to themselves: they fly in on Japan Air Lines, are met by Japanese guides, ride to Bangkok in Japanese busses, where they stay in Japanese hotels, eat and drink in Japanese restaurants, all staffed by Japanese. . . ."



States, held China at arms length while building a lucrative economic relationship with Taiwan. Although there was plenty of warning, the 1971/1972 Sino-American rapprochement marked a dramatic reversal in China's policy and found Japan's policy makers unprepared. President Nixon's visit to China became one of the "shocks" that caused Japan to begin to take a new look at its security relationship with the United States. In this reappraisal the United States was strongly criticized in Japan for not consulting with its major ally in the Pacific on a matter of great importance to the future security of Asia.

The Chinese-United States meetings pushed the Japanese into establishing diplomatic relations with China. China, in turn, extracted a heavy price for the new relationship. First, by indicating that they would not deal with the Sato government, the PRC influenced the change to the Tanaka Administration.<sup>55</sup> Second, Japan was forced to cut formal diplomatic relationships with Taiwan. This move caused a serious split between Taipei and Tokyo.

With the explosion of a nuclear weapon in 1964, China became much more of a threat to Japan's security than it had

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<sup>55</sup> For a discussion of Japan's relations with the Peoples Republic and Chinese influence on Japanese domestic politics see Donald C. Hellmann, Japan and East Asia, pp. 53-54, 75-78, 172-176. And Gene T. Haiao, "The Sino-Japanese Rapprochement: A Relationship of Ambivalence," The China Quarterly, January/March 1974, pp. 101-123.



ever been before. Prior to this time, the Chinese military forces--huge armies and a relatively weak navy and air force --designed primarily for the defense of the homeland, offered little threat to Japanese security. Then the genesis of an infant yet growing Chinese nuclear capability encouraged the Japanese to place renewed emphasis on the United States security treaty. It also undermined Japan's traditional psychological superiority over China, and while China's ability to deliver nuclear weapons is somewhat limited, it has developed and deployed medium and intermediate range ballistic missiles and is building Russian designed TU-16 Bombers. At present most of these missiles are deployed along the northern frontier aimed at the Soviet Union.<sup>56</sup>

There is a basic dichotomy in the manner in which China views Japan. First a second historical basis exists for China's suspicion and fear of renewed militarism in Japan. In addition, China continues to believe that there is something economically inevitable about Japan's being a menace.<sup>57</sup> On the other hand, there are real short term economic and political gains to be made by close relationships with Japan. China needs foreign capital and the advanced technology which Japan can deliver.

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<sup>56</sup>The Strategic Balance, 1972.

<sup>57</sup>Chalmers Johnson, "How China and Japan Views Each Other," Foreign Affairs, July 1972, p. 716.





In 1972, for instance, Japan's total trade with China reached \$920 million and it is estimated that by 1977, it will reach \$2.1 billion and that by 1982 it could grow to \$11.3 billion.<sup>58</sup> China, as an added inducement to trade, has promised Japan a part of its limited but growing petroleum production.

There also has been a change in the Chinese view of the American-Japanese arrangement. In discussions between Chou En Lai and Premier Tanaka it was made clear that China had no objections to the Fourth Defense Plan or to the United States Security Treaty.<sup>59</sup> This admission on the part of China is a reversal of policy on the part of a nation that since 1952 has been very critical of the Security Treaty which it viewed as an integral part of the American containment policy. Chinese acceptance of the Japanese military program has been interpreted as a realization on the part of China that its best insurance against a nuclear armed Japan is this security arrangement between the United States and Japan. In addition and perhaps even more important, the United States-Japanese security relationship provides a balance to the ever growing strength of the Soviet Union in the Pacific. A good example of the value

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<sup>58</sup>Far Eastern Economic Review, November 25, 1972, p. 33.

<sup>59</sup>Donald C. Hellmann, "Japan and the Great Powers in Post-Vietnam Asia," Pacific Community, July 1973, p. 596.





China places on the new relationship with America is that, after the Nixon visit, a sizeable military force was moved away from the Fukien Straits, opposite Taiwan, to the North-east to bolster defense against the Soviet Union. Even now China maintains from 55 to 60 infantry divisions in military regions adjacent to the Soviet Union.

While China's primary security concern, now that the United States has lost the number one position, as China's enemy, is the Soviet Union, some observers feel that China's secondary concern is more long term in character and is directed at forestalling Japan's reemergence as a great military power which could logically inherit the American position on the rimland of continental Asia.<sup>60</sup> But in the short run, China realistically has nothing to fear from Japan in a military sense.

In 1947, Harold Isaccs, sounding like the patron saint of the modern revisionists wrote:

The haggard ghosts of 400 million customers in China still sit in at all the councils where American Far Eastern Policy is made. They are still an unrealized dream. All the years of competition and rivalry, of wars and treaties and bloodshed and suffering have been

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<sup>60</sup>For this point of view on possible Japanese military developments and Chinese security objectives, see John Welfield, "A New Balance: Japan Versus China?", Pacific Community, October 1972, Sections IV and V, pp. 57-62.



for the United States, based not on existing realities but on elusive expectations.<sup>61</sup>

This paragraph easily could have been written about Japan's perspective of China. Japan's view of China is contradictory and the vast market potential of this nation has attracted Japanese businessmen for decades. But while trade is increasing, this vast potential, as Isaccs predicted, may prove as elusive to the Japanese as it did to Western nations in the late 19th and early 20th centuries. Another important element of Japan's relationship with China is that Japan's history is one of a sort of psychological dependence on Chinese culture. In this regard, many segments of Japanese society feel a sense of "national guilt" for Japan's World War II actions in China. In the same manner, China has always been "popular" with Japanese society.

Prior to Premier Tanaka's visit, the China question played a major role in the factional battles within the Liberal Democratic Party. Even now after recognition of the People's Republic of China, the question of China versus Taiwan assumes a major role in intra- and inter-party political conflict. The dispute over a Japan/China aviation treaty has served as a focus of the most recent dispute. Japan Air Lines operated a highly profitable freight and passenger service with Taiwan for many

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<sup>61</sup>Harold Isaccs, No Peace for Asia (New York, 1948) p. 258.



years. The signing of an air agreement with the Peoples Republic added further tension to Japan's relations with Taiwan. The debate over this question has been especially violent between the conservatives and liberal wings of the LDP where a new ultra-conservative faction, the Seirankai, recently surfaced.<sup>62</sup> When Japan and China signed an air pact, Taiwan refused permission for all Japanese aircraft to land in Taiwan or to fly through Taiwanese airspace. Regardless of the final outcome, the dispute will leave a lasting enmity within the ranks of the LDP.

Despite the fact that Japan and China have important motivations for economic and political cooperation, there are other factors, perhaps more serious, that will tend to inhibit the smooth course of Japanese-Chinese relations. One area of contention between Japan and China is a dispute over the control of the Senkaku Islands. These small uninhabited islands are located approximately 200 miles northeast of Taiwan. Large seabed petroleum deposits are believed to exist under these otherwise insignificant specks in the East China Sea. The islands are claimed by China, Taiwan, and Korea while Japan

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<sup>62</sup> For details concerning the emergence of the Seirankai, see J. Rey Maeno, "Japan 1973: The End of an Era" Asian Survey, January 1974, pp. 52-57. And "Blue Storm Society," Seattle Post Intelligencer, Tuesday, February 19, 1974, p. 13.





maintains the islands are a part of the Ryuku chain. The dispute is likely to remain a source of friction between Japan and China, one that becomes more important as Japan's energy problems become more severe. China's claim for these seabed rights is simple and sweeping. It asserts that the continental shelf is a natural extension of the continent and that sovereignty therefore extends to the edge of the shelf.<sup>63</sup> The conflict between South Vietnam and China in the Paracel Islands in the South China Sea illustrates the fact that China is willing to fight to protect those areas over which it feels it has historical, economic, or political claims. This is another factor which will complicate Japan's increasing political involvement in East Asia.

More important than a dispute over ownership of the Senkakus however, is the fact that China and Japan have conflicting fundamental objectives and interests in East Asia. These interests and objectives are so basically different that they must inevitably lead to conflict and tension. This has been presented concisely by Donald C. Hellmann who argues that within the East Asian subsystem, "China presents the

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<sup>63</sup>China's position on continental seas oil exploration is reviewed in Nicholas Ludlow, "U.S. Companies and China's Oil Development," The New York Times, Sunday March 3, 1974, Section 3, p. 2.





greatest security threat to Japan in that both nations are engaged in Asia on several levels and place special priority on relations with nations in this area."<sup>64</sup>

Japan is a nation whose security and prosperity depend on stable, secure economic markets, especially in Southeast Asia. China, in contrast, has a vested interest in ensuring that neither Japan nor any other nation establishes economic or political hegemony in countries on its periphery. China, then, has no vested interest in the status quo. In fact, in the long run, as long as non communist nations remain on its border, a turbulent Southeast Asia is to China's advantage. The unstable political environment in China and the fragile nature of its elderly leadership is yet another element leading to the unpredictability of its future policy. In the struggle for influence and markets in East Asia, China will come into direct confrontation with a Japan having a vital interest in expanding both political and economic power in the same region. The impact of this rivalry will tend to increase Japanese concern with security problems and, if Japan determines that the stability of Southeast Asia can not be maintained with a foreign policy of "economic neutralism," it will have to consider other alternatives of ensuring this stability. One of

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<sup>64</sup>Donald C. Hellmann, Japan and East Asia, p. 174.



the obvious options is to develop the capability of enforcing or at least influencing the stability of the region in a military sense. To do this effectively, nuclear weapons must be considered.

B. Japan and Russia. Traditionally the relationship between the Soviet Union and Japan has not been cordial and there continues to be serious areas of disagreement between the countries: The unresolved peace treaty, fishing rights, and the Northern Territories issue all are complicated areas of contention. In addition, while there is little chance of an invasion of the home islands, the Soviet Union presents a basic security threat, especially in its growing Pacific naval power. From cruisers in the Indian Ocean to nuclear submarines in the Sea of Japan, the Soviet Union is increasing its strength, a strength which, in time of crisis, could threaten Japan's vulnerable economic life lines.

The Northern Territories taken by Russia after the end of World War II, the islands of Etorofu, Kumashiri, Shikotan, and Habomai, remain a stumbling block to any progress in signing of a peace treaty between Japan and the Soviet Union. Under the Sato government, it was understood that any type of formal political or economic agreement would have to be tied to a return of these Northern Territories. The Tanaka



government, however, has evidently softened its position and is willing to separate this issue from other negotiations.<sup>65</sup>

One of Japan's primary motivations in reaching some sort of agreement with the Soviet Union is economic. There are large oil reserves in the Tyumen area of Siberia and large oil reserves in Yakutsk; both of these areas are attractive sources of energy for Japan. Under negotiations presently in progress Japan would provide the Soviet Union with \$1.5 billion in credits and sell Russia the steel pipe for a line that would run 4,300 kilometers from Irkutsk to the Pacific Ocean.<sup>66</sup> In return Japan would get 25 to 40 million tons of low-sulfur crude oil per year for 20 years. American commercial interests also are interested in these emerging sources and are negotiating for a share in part of this development. The Soviet Union in turn has shown great interest in this proposed American participation.

Japan has viewed American participation in the Tyumen and Yakutsk projects with mixed emotions. First, any share by the United States in the proceeding would necessarily reduce Japan's share of the project.<sup>67</sup> On the other hand,

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<sup>65</sup>Elizabeth Pond, "The View From Tokyo," Foreign Affairs, October 1973, p. 142.

<sup>66</sup>Ibid. p. 147.

<sup>67</sup>Naji Kakamura, "Ice on the Wind," Far Eastern Economic Review, October 28, 1972, p. 13.





the Japanese have seen the role of the United States as a stabilizing element in the arrangement and as an assurance to the Chinese that this is not a bilateral collusion between the Soviet Union and Japan. In addition, United States participation is seen by the Japanese as a guarantee that the Soviet Union would fulfill its commitment to delivery of oil and natural gas to Japan. The Chinese, and to some extent the United States, are concerned over the strategic aspects of the proposed extension of the oil pipeline. This pipeline would supply fuel both to Soviet forces along the Chinese Soviet border and to Vladivostock, the major Pacific Russian naval base. The Russian navy presently must bring in petroleum by vulnerable tanker and the pipeline extension would expand significantly Soviet naval flexibility in the Pacific. Japan's growing interest and involvement in the construction of the project is another factor which will lead to tension in Sino-Japanese relations.

Whatever happens in Russian-Japanese economic negotiations, the Soviets are moving slowly. They certainly will attempt to extract the maximum political and economic benefit from any arrangement with the Japanese and there is evidence that the Soviet Union is using this economic pressure to attempt to push Japan into the Russian concept of a collective security system in Asia. This "security system" concept certainly is





a part of Russia's attempt to contain China and can be interpreted as the Soviet effort toward a solution to the new geometry of East Asia.<sup>68</sup>

There are three basic objectives in Russia's proposed system of collective security. First and primary is the containment and neutralization of the PRC. The second is to prepare for further expansion in Asia. The third is to forestall the development of new Asian alliances.<sup>69</sup> What Moscow seems to be proposing is not a traditional system of collective security in the accepted sense, but rather a system of collective defense under Soviet control directed against China, a sort of Russian style of "Containment." The present positioning of Soviet military forces on the Chinese border is a manifestation of this primary concern. As of late 1972, the Soviet Union has almost 45 infantry and armoured divisions supported by a wide variety of nuclear weapons and airpower aligned along the Chinese border. In regard to the Chinese military threat, Russian and Japanese interests are similar. In a much different manner than Japan, the Soviet Union has a

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<sup>68</sup>For a discussion of the Soviet Union's proposal for collective security see Alexander Ghebelhardt, Asian Survey, December 1973, pp. 1084-1091.

<sup>69</sup>Thomas W. Robinson, "Soviet Policy in East Asia," Problems of Communism, November-December 1973, p. 43.



vested interest in Asian stability as long as this stability does not threaten Soviet interests. While Russia undoubtedly would like to see political changes in East Asia, it also might be willing to settle for the status quo in the short and medium term.

In Premier Tanaka's visit to Moscow the Russians pushed Japan on this issue of collective security in Asia but, on the other hand, were unwilling to make any concession on the territorial or peace treaty issues, evidently believing that economic pressure of Tyumen and Yakutsk would gradually bring Japan to the Soviet view. The Japanese however have been extremely reluctant to consider the Soviet proposal and have stated that they will not enter into any agreement that can be construed as "containment" of China.

Japan, in its relationship with both China and the Soviet Union, has found it necessary to walk a dangerous and narrow path attempting to keep from giving either nation the impression that it favors one side over the interests of the other. In many respects Japan is the rope in a tug of war between China and Russia. Both nations would like to use Japan to balance the power of the other and both countries have a basic interest in seeing that Japan does not develop a nuclear weapons capability or come under the political dominance of the other. Both China and the USSR may view



the United States-Japan Security Treaty, in the short run, as a factor in restraining Japan from adopting nuclear weapons. This Soviet/Chinese perspective should remain as long as the United States retains a balance in its relations with the Soviet Union and the People's Republic of China.

C. Japanese Security Options. While there are many subtle variations of security policy available to Japan, stripped to basic essentials there are four possibly viable security options. First, is the option of developing an independent military capability. Eventually this option would require at least the consideration of the development of nuclear weapons to counter Chinese and Russian threats. Second, Japan could become a neutral nation with a minimum military force, depending on multilateral organizations and agreements to guarantee security. A third choice would be a new bilateral arrangement with either China or the Soviet Union. Finally, Japan could continue the present security arrangement with the United States, attempting to negotiate modifications to reflect their view of the political situation in Asia.

Even though Japan is now and has been since the late 1960's undergoing a reexamination of its basic security policy, the Security Treaty appears to be the most rational of the options available, especially under the leadership of the LDP.





This arrangement assures security and allows Japan considerable freedom of action while giving up relatively little in return. There is little that the Japanese now provide under the Security Agreement that could not be renegotiated with the United States if the domestic political costs become unacceptable. American military bases in Japan, for example, could be reduced substantially or eliminated without the United States feeling that the security relationship was threatened. In fact, the elimination of bases in Japan could enhance United States political and military flexibility in Asia.

Japan's ability to negotiate bilaterally with both the Chinese and Russians is the most obvious example of the flexibility provided by the present Security Agreement. The development of an independent nuclear force by Japan would mean that the diplomatic footing would become more treacherous and policy options perhaps less flexible. Both China and the Soviet Union would be extremely apprehensive faced with a nuclear Japan. A neutral, non-military stance also offers many dangers and would make an already vulnerable Japan more susceptible to threats from unhappy or antagonistic superpowers and from suppliers of vital raw materials.

The nature of Japanese foreign policy formulation, favoring as it does the status quo also argues for a continuation of the Security Agreement with the United States.





Despite the wide publicity given opposition to the Security Treaty in the Japanese press, public opinion seems to favor a continuation of some form of security relationship with the United States. In conclusion, it appears that Japan's most probable course of action is a continuation of the relationship with the United States attempting to make minor modifications in that agreement as the necessity arises. This course of action is most probable under the leadership of the LDP. A shift to opposition leadership probably would mean a drastic change in at least the external and public aspects of the present agreement and adoption of one of the other security options.



VI. THE UNITED STATES IN EAST ASIA: THE RHETORIC  
AND THE REALITY.

A. The Nixon Doctrine. To this point this paper has been concerned basically with East Asian security systems analyzed from the point of view of Japan. The interests of the United States have been noted only in so far as they affect Japan. However, with the perspective already developed, it is possible to examine this security system from the point of view of the interests of the United States in Asia.

The United States presently operates under a vaguely defined policy--the Nixon Doctrine. First set forth in Guam by President Nixon in 1969, this policy stated that American forces should not be maintained for the purpose of dealing with local wars of national liberation or subversion. Rather, support would be given to the national forces of friendly governments. Allies would be supported and all commitments met, but nations would be expected to do their own fighting. Despite these guidelines, the doctrine itself has never been defined in concrete terms. In fact, its undefined nature is one of its principle characteristics. One scholar has written, "In the White House the doctrine is seen as a calculated strategy of foreign policy integrally related to specific concepts of national interest, national power, and the



international environment."<sup>70</sup> This doctrine has been outlined further by Melvin Laird who maintains it contains "both high principle and practical realism." "We seek," Laird writes, "not the words but allies, nations which are able and enthusiastic practitioners of their own self-defense, so that what aid we do give them would be supplementary, not primary."<sup>71</sup> This doctrine then is designed to make logical, pragmatic decisions based on the criteria of each decision being in the direct interest of the United States. Just what these American interests are is not defined.

Another interpretation contends that the Nixon Doctrine is a type of indeterminacy, as moving in a direction toward greater appreciation of international complexity.<sup>72</sup> This may be true but it is also true that the importance of this doctrine in terms of its impact on Japan and other Asian nations raises serious questions concerning the effect of this ambiguous foreign policy. "Indeterminacy" makes it difficult for allies such as Japan to interpret the meaning of America's defense commitments. It is clear that the Nixon Doctrine is not a

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<sup>70</sup>Osgood, p. 32.

<sup>71</sup>Melvin R. Laird, The Nixon Doctrine (Washington, 1972) p.24.

<sup>72</sup>Robert J. Pranger, Defense Implications of International Indeterminacy, (Washington, 1972) p. 30.



fixed, concrete policy amenable to concise definition as, for example, was the Containment Doctrine. It is flexible, even variable, and evidently still in the process of evolution. While it is designed to give much greater latitude to policy decision, its designed flexibility calls into question traditional American security commitments. This is especially true in Asia where the shadow of the Vietnamese storm still thunders and flashes on the horizon of American foreign policy and adds further questions concerning America's security commitment there.

It is a generally accepted view that the ending of the Viet Nam war and the Nixon Doctrine are symbols of at least a partial disengagement of the United States from Asian involvement and Asian responsibilities. Questions have been raised, especially in Japan, on the continuing validity of the American political and security promises. Political scientists and Asian scholars have interpreted this doctrine in the same manner as an American retreat from Asia. This is a logical interpretation of the rhetoric of the Nixon Doctrine. But what of the reality? To determine the real meaning of the Nixon Doctrine, American actions in Asia since the end of the Vietnamese war must be examined closely. United States actions in East Asia since the end of the war do not necessarily indicate disengagement from security responsibilities. The





present strategic alignment may indicate not only an increased appreciation of the Asian political realities but an increased willingness to support the new strategic situation.

B. The Crescent Strategy. Before 1965, the military strength and focus of attention of the United States in the Pacific was concentrated in Northeast Asia and was designed to protect Japan and Korea from the Sino-Soviet threat. While the military concentrations were located in Japan and Korea, there were also large American bases in the Philippines but very little in the way of military forces, other than advisory groups, in the rest of Southeast Asia. The United States Navy seldom wandered into the Indian Ocean. For the circumstances of that Viet Nam period this was a logical positioning of forces and seemed a reasonable strategy in response to what was felt to be the primary communist threat.

In the 1960's, a variety of factors, the Viet Nam war, the Sino-Soviet split and others, moved the geographical focus of American forces to Southeast Asia. Thailand became a major base area for the American Air Force, and, for the first time, the United States Navy began to take serious interest in the Indian Ocean.

The debate over the validity of the American commitment to Viet Nam will last for decades. But in many respects, it



was a strategic anomaly, a costly one. It was a war that violated the traditional strategic pattern of the United States' interests in East Asia. It violated the principle that had long served as gospel to the American military--that the United States could not win nor should it become involved in a land war in Asia. The war seemed to prove that the United States did not have the power to act as an international policeman. This war was an anomaly then because it violated America's traditional strategic objective and unbalanced our military and political perspective of Asia.

What has been the impact of Viet Nam on the strategic position and capabilities of the United States forces in Asia? Many respected and knowledgeable analysts have stated that the war has resulted in a significant reduction in the capability of the United States to react not only in a political but in a military sense in Asia and that there is now a "security vacuum." In supporting their argument they point to the reduction in United States forces stationed in Asia since the ending of the American participation in the war. Secondly, many political scientists and journalists argue that the resolve and will of the American nation was weakened by this Southeast Asian war. The "mood" in America is seen as a new sense of isolationism. For example, "the Nixon Doctrine," writes Donald C. Hellmann, "is not fully developed policy position but rather a



response or a set of responses to new international politics away from the international principles on which the nation's diplomacy has rested since 1945."<sup>73</sup>

It is impossible to refute the second of these arguments for the proof of American resolve in the Pacific will have to rest on a future test of that resolve. The first of these arguments, however, that the United States had reduced its military commitment to Asia and created a vacuum, is not entirely reflected in the evidence. Since the Viet Nam war, there has been a dramatic realignment of United States forces in the Pacific. Military forces are positioned now in a more balanced deployment than was the case before or during America's involvement in Viet Nam. It is true that a number of combat units have been removed, not only from Southeast Asia, but also from Korea.<sup>74</sup> The reasons for the pullback from Viet Nam are obvious. The reduction of forces in Korea, however, came first in response to Viet Nam, then as an appreciation of the change in the strategic balance in the Pacific, the power balance between North and South Korea, and in the domestic

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<sup>73</sup>Hellmann, Japan and East Asia. p. 126.

<sup>74</sup>Defense Secretary Schlesinger indicated in March of 1974 that gradual phaseout of army troops in Korea was under consideration. These troops would be replaced by a mobile reserve based in Guam or Hawaii. Navy Times, March 27, 1974, p. 30.





political pressures in the United States. The Sino-Soviet split, eventual rapproachment between the United States and China and the detente with the Soviet Union are additional factors influencing this realignment.

United States forces are now deployed in a chain of bases that form a rough crescent stretching from Japan and Korea in the Northern Pacific to an island speck in the middle of the Indian Ocean. Subic Bay and Clark Air Force Base in the Philippines, navy and air force bases in Guam, a communications station in Australia, and the air force bases in Thailand make up the links of the chain. The arc is anchored in Northeast Asia in Korea and Japan and in the Indian Ocean in the new naval base on the island of Diego Garcia. It is this new general deployment that gives credibility to the argument that the United States is, in a sense, realigning its role in the Pacific rather than retreating.

One of the most significant American expansions is in the Indian Ocean. Its importance as a pathway of petroleum from the Persian Gulf to East Asia has already been illustrated. Until near the end of the war in Viet Nam, the United States either showed little interest or did not consider it worth the effort to maintain forces in the Indian Ocean. Since then, however, the United States Navy has taken a leading role and the Seventh Fleet now maintains a Task Force on station in





the Indian Ocean, led by either an aircraft carrier or by a missile cruiser. In addition, on Diego Garcia, an island located in the middle of the Indian Ocean and leased from the British, the United States recently constructed a communications station and, much to the chagrin of the Indian government, is planning further expansion. While the Indian Ocean expansion is in response to many factors, the growing influence of the Soviet Union in this area and the importance of the ocean as an access to the Persian Gulf are priority considerations. The proposed opening of the Suez Canal will make the Indian Ocean even more strategically significant.

Another region in which it appears that America is expanding its military influence is in the Trust Territory of the Pacific Islands--Micronesia. America already has an extensive military network on Guam and it is evident that expansion is being contemplated into other islands of the chain, the names of which, Tinian and Saipan, are quite familiar to veterans of World War II. While there has been little published in the United States on this subject, the Japanese press has shown great interest



and a greater alarm over expansion in this area.<sup>75</sup> The strategic value of bases constructed in Micronesia would be in their ability to be used as fall back positions should the United States be forced out or decide to leave bases in Korea, Japan, Thailand or the Philippines. Although there are political problems with military basing in Micronesia, the United States would have more viable political control and a greater strategic flexibility than in areas such as Japan and the Philippines.

The realignment of military forces admittedly is in a sense a retreat. But on the other hand, it also may indicate first a better appreciation of political factors in Asia and second, the desire for a more flexible ability to respond to future Asian security commitments.

C. Prospects. This paper began with the premise that the post Viet Nam era is one in which both the United States and Japan are undergoing fundamental evaluations of their

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<sup>75</sup>For information concerning United States military activity in Micronesia see: "Micronesia Where the Construction of United States Military Bases is Progressing," Asahi Journal September 29, 1972, in Summaries of Selected Magazines, U.S. Embassy, Tokyo, pp. 27-34, And Donald F. Smith, "Diversity in Micronesia," Current History, November 1973, pp. 221-225, And Robert Trumbull, "Micronesians Divided on Self Rule," New York Times, November 4, 1973, Sec. 1, p. 14.



respective security positions in Asia. Since 1950, American policy in Asia has anchored itself in a security relationship with Japan. As long as the internal political costs do not become prohibitive for either country, there is no reason why this relationship should not continue. In a recent article a Japanese political commentator wrote, "from the standpoint of Japan, there certainly is reason to believe that the possibility of the treaty becoming a major obstacle to continued overall friendly Japan-U.S. relations has greatly decreased."<sup>76</sup>

The Japan-U.S. Security Treaty of 1960 grants Japan a right of mutual "prior consultation" on U.S. bases in actions involving deployment of U.S. forces into or out of Japan. While this right of prior consultation has not been utilized, during the Viet Nam war opposition protests limited the movement of U.S. forces and material in Japan. Recently the opposition of the Japanese government may have been instrumental in restricting the movement of Seventh Fleet ships based in Japan into the Indian Ocean. Restrictions on the movement of American forces by Japan could prove unacceptable in future incidents in which Japanese and United States interests conflict. In order to improve flexibility of the use of military

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<sup>76</sup>Kei Wakaizumi, "Summit Diplomacy," Pacific Community, January 1974, pp. 271-288.





forces based in Japan it might be necessary to remove these forces to less sensitive areas.

The United States' bases in Japan are political irritants and it may be necessary for the United States, in the interest of long-term political gain, to consider voluntary removal of all or some of these bases. This voluntary withdrawal could come in response to domestic political pressure on the Japanese government or even in advance of anticipated pressure of this nature. In this regard, some American observers have proposed that the United States prepare to surrender some of the less strategically important bases in Japan. One important point is that there is significantly less opposition to the naval bases of the U.S. Seventh Fleet in Japan than there is to the logistic support facilities, headquarters bases, staging and training areas of the United States Army, Air Force, and Marine Corp.<sup>77</sup> These latter bases are not viewed by the Japanese as providing basic security to the home islands, while the Seventh Fleet bases are seen as valuable in helping to continued open sea lanes. In Japan itself there are no American combat troops and, with the exception of headquarters and logistic bases, only the Seventh Fleet and some Air Force

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<sup>77</sup>James E. Auer, "Toward a Pacific Maritime Union," Pacific Community, October 1973, p. 39.



bases contain combat units. The Navy bases are more remote from urban areas, take up less valuable living space and generally provide less of a political problem than bases closer to urban areas.

The Marine division in Okinawa is a somewhat greater problem. It is a strong military force and provides a flexible combat response capability in Asia. However, there are other locations in which it could be based and where it would be less of a political problem; Guam, Hawaii or even in the Trust Territories for example. Other American bases in Thailand and possibly in the Philippines certainly can be expected to come under the same type of political pressure experienced in Japan. The United States strategic planning must be flexible enough to provide alternative basing for these forces while, at the same time, minimizing the political friction involved in the base withdrawal. The ability to anticipate political pressure and to move in advance of it might even lead to political advantage.

One of the primary rationale for maintaining bases in Japan has been to defend Korea. The willingness of the Secretary of Defense to consider removal of United States forces from Korea is an indication that the requirement of defending Korea is becoming less important and the bases in Japan far less critical.



The increasing strength of the Japanese SDF could serve to play a significant role in the future security of East Asia. That is, if the Japanese are in some manner forced to change their traditional posture of using these forces solely for the defense of the home islands. However even if Japanese forces are not used outside of Japan, their increasing strength relieves the United States of the burden of providing conventional defense forces for security of the Japanese archipelago. The increasing involvement of Japan in Asia and the effect of this increasing interaction in entangling Japan in Asian politics will encourage Japan to develop a more aggressive security policy. The increasing competition between Japan and China and the fundamental differences of interest between these two giants are factors which also tend to encourage the development of a stronger Japanese security force in addition to a more sophisticated foreign policy.

A thorny problem for the United States is what course of action to take should Japan decide to develop nuclear weapons. Since Japan is and will for sometime be dependent on foreign sources of uranium, principally from the United States, it would be in the interests of America to continue this dependent relationship. Little would be gained by severing the security relationship while, on the other hand, there would be a great deal to be gained by retaining some





degree of control or influence over whatever nuclear capability the Japanese might develop.

It is probable that while a nuclear Japan would appear threatening to China, Russia and the developing countries of Asia, a nuclear Japan, restrained by the United States, would be more acceptable. Instead of aggressively pushing the Japanese to assume a greater security role in Asia while at the same time attempting to restrict the development of nuclear weapons, the United States should let Japan's role in Asian political affairs take its natural course. The increasing involvement of Japan in the complicated political and economic issues of this area will result in a natural evolution in a gradually increased scope of Japanese security commitment. In the meantime, the bases being used by the United States in Japan should be returned gradually to Japan. This course of action would both turn valuable real estate over to the Japanese and greatly reduce a serious area of political irritation. The removal of bases from Japan would remove the limitation of prior consultation and increase the flexibility of these forces.

The security relationship between the United States and Japan is one that has provided benefits to both countries. This relationship is in the process of evolving into a system in which Japan plays the role of a more equal partner. The





reduction in the physical presence of the United States in Japan is only one of the many complicated issues of the security agreement but it is one that could lead to greater cooperation and understanding in broader political and economic relations.

The security relationship between the United States and Japan must evolve in response to new power relationships in Asia. But whatever form this security relationship takes in attempting to solve the new geometry of Asia, a vital element will continue to be the United States guarantee of a strategic security umbrella for Japan. In order for this security agreement to be viable, Japan, regardless of the level of American forces actually based there, must be able to depend on the American commitment. With the guarantee of American support, Japan can provide a stabilizing force in an area of the world which is increasingly in need of strong and stable nations.



## APPENDIX I

Comparative Gross National Products  
(\$Billion)\*

Year	USA	Japan	West Ger.	France	Britain
1952	350	16	32	29	44
1953	370	19	35	31	48
1954	365	20	37	32	50
1955	399	23	43	35	54
1956	420	25	47	39	58
1957	444	28	51	43	62
1958	455	32	56	50	65
1959	484	33	60	54	67
1960	511	39	71	60	72
1961	520	51	81	65	77
1962	560	59	89	74	81
1963	590	68	94	83	86
1964	632	80	103	93	93
1965	685	88	115	99	100
1966	748	102	123	108	107
1967	794	120	124	116	110
1968	865	142	135	127	103
1969	931	166	151	142	110
1970	976	198	189	149	121
1971	1050	221	217	164	135
1972	1152	317	259	202	151

\* GNP at 1973 market prices and exchange rates.



APPENDIX II  
Table ASTRENGTH AND STATUS OF THE JAPANESE ARMED FORCES

Population: 107,000,000.

Military service: voluntary.

Total armed forces: 266,000.

Estimated GNP 1972: \$316.8 Billion.

Defense budget 1973-74: 935.5 billion yen. (\$3,530 million)

Army: 180,000.

1 mechanized division.

12 infantry divisions (7,000-9,000 men each)

1 airborne brigade.

1 artillery brigade.

1 signal and 5 engineer brigades.

1 helicopter brigade.

1 mixed brigade.

Reserves: 39,000.

Navy: 41,400.

13 Submarines.

1 SAM destroyer with Tartar.

28 destroyers.

14 destroyer escorts/frigates.

20 submarine chasers.

3 minelayers.

42 coastal minesweepers.

5 motor torpedo boats.

4 tank landing ships.

1 medium landing ship.

6 landing craft.

42 small landing craft.

Naval Air: 110 Combat aircraft. 7MR sqns. with P2V-7, P2-J, S2F-1 and PS-1. 60 Helicopters.

Air Force: 44,600: 386 combat aircraft.

4 FGA sqns. with 120 F-86F (F4EJ being introduced).

10 interceptor sqns. with 150 F-104J, 20 F-4EJ and 80 F-86F.

1 recce sqn. with 16 RF-86F (being replaced by RF-4EJ in 1973,  
14 are on order.)

2 transport sqns. with 20 C-46 and 10 YS-11.

360 T-1, T-33, T-34 and F-104 DJ trainers.

5 SAM bns. with Nike-J.

A base Air Defense Ground Environment with 28 warning stations.





APPENDIX II  
Table B

COMPARISONS OF MILITARY MANPOWER 1973

COUNTRY	TOTAL ARMED FORCES	PARA- MILITARY	TRAINED RESERVISTS	EST. # OF TOTAL MEN OF MILITARY AGE	% OF TOTAL ARMED FORCES TO MEN OF MILITARY AGE
BRITAIN	361,500	-----	435,000	10,800,000	3.3
FRANCE	503,600	85,000	540,000	10,000,000	5.0
WEST GERMANY	475,000	20,000	625,000	119,000,000	4.0
IRAN	211,500	70,000	315,000	5,400,000	3.9
AUSTRALIA	73,330	-----	32,300	2,600,000	2.8
INDIA	948,000	100,000	N.A.	116,500,000	0.8
INDONESIA	322,000	120,000	N.A.	20,600,000	1.6
JAPAN	266,000	-----	39,300	24,900,000	1.1

The Military Balance 1973/74



## APPENDIX III

## Japan's Defense Expenditures

Year	Yen (Billion)	\$ Million	GNP	Ratio of Defense to: General account
1952	183	508	N.A.	N.A.
1953	126	350	1.67	13.01
1954	135	375	1.78	13.96
1955	135	375	1.52	13.61
1956	143	397	1.44	13.81
1957	144	400	1.28	12.61
1958	149	414	1.26	11.31
1959	156	433	1.15	10.99
1960	160	444	0.99	9.99
1961	184	511	0.91	9.23
1962	214	594	0.96	8.59
1963	248	689	0.94	8.46
1964	281	781	0.93	8.45
1965	305	847	0.92	8.23
1966	345	958	0.89	7.90
1967	387	1,075	0.84	7.69
1968	422	1,172	0.79	7.25
1969	495	1,375	0.77	7.18
1970	590	1,639	0.78	7.16
1971	694	1,928	0.83	7.13
1972	821	2,718		

1. Dollars value presented at the rates ruling each year.
2. Sources: The Military Balance 1973/74. The Oriental Economist February, 1973.



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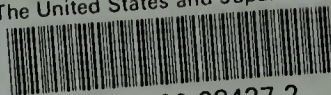
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